

The Accounts Commission for Scotland

Agenda

Meeting on Thursday 25 September 2014
in the offices of Audit Scotland, 18 George Street, Edinburgh

The meeting will begin at 10.00am

1. **Apologies for absence.**
2. **Declarations of interest.**
3. **Decisions on taking business in private:** The Commission will consider whether to take items 13 to 17 in private.
4. **Minutes of meeting of 19 June 2014.**
5. **Minutes of meeting of Financial Audit and Assurance Committee of 11 September 2014.**
6. **Minutes of meeting of Performance Audit Committee of 11 September 2014.**
7. **Update report by the Secretary to the Accounts Commission:** The Commission will consider a report by the Secretary to the Commission on significant recent activity in relation to local government.
8. **Update report by the Controller of Audit:** The Commission will consider a verbal report by the Controller of Audit providing an update on his recent activity.
9. **West Lothian Community Planning Partnership:** The Commission will consider a report by the Controller of Audit and the Auditor General for Scotland.
10. **Edinburgh trams:** The Commission will consider a report by the Director of Performance Audit and Best Value.
11. **The impact of welfare reforms on council rent arrears in Scotland:** The Commission will consider a report by the Assistant Auditor General.
12. **Equalities update:** The Commission will consider a report by the Chair of the Diversity and Equality Working Group.

The following items are proposed to be considered in private:

13. **West Lothian Community Planning Partnership:** The Commission will consider the action it wishes to take on the report.
14. **Feedback on joint workshop about performance audit programme:** The Commission will consider a report by the Director of Performance Audit and Best Value.
15. **How Councils Work series:** The Commission will consider a report by the Secretary to the Commission.
16. **Audit Scotland budget 2015/16 and audit charges 2014/15 audits:** The Commission will consider a report by the Assistant Auditor General.
17. **Commission business matters:** The Commission will discuss matters of interest.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
Agenda Item 4: Minutes of meeting of the Commission of 19 June 2014	AC.2014.7.1
Agenda Item 5: Minutes of meeting of the Financial Audit and Assurance Committee of 11 September 2014	AC.2014.7.2
Agenda Item 6: Minutes of meeting of the Performance Audit Committee of 11 September 2014	AC.2014.7.3
Agenda Item 7: Report by Secretary to the Commission	AC.2014.7.4
Agenda Item 9: Report by Controller of Audit and the Auditor General for Scotland	AC.2014.7.5
Agenda Item 10: Report by Director of Performance Audit and Best Value	AC.2014.7.6
Agenda Item 11: Report by Assistant Auditor General	AC.2014.7.7
Agenda Item 12: Report by Chair of the Diversity and Equality Working Group	AC.2014.7.8
Agenda Item 14: Report by Director of Performance Audit and Best Value	AC.2014.7.9
Agenda Item 15: Report by Director of Performance Audit and Best Value	AC.2014.7.10
Agenda Item 16: Report by Assistant Auditor General	AC.2014.7.11

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission
held in the offices of Audit Scotland at
18 George Street, Edinburgh, on
Thursday, 19 June 2014, at 10.00am

PRESENT: Douglas Sinclair (Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Christine May
Bill McQueen
Linda Pollock
Colin Peebles

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit
and Best Value (PABV)
Anne Cairns, Manager, Audit Strategy [Item 11]
Antony Clark, Assistant Director, PABV [Items 9 and 16]
Russell Frith, Assistant Auditor General [Items 11, 14 & 15]
Agata Maslowska, Performance Auditor, PABV [Item 12]
Fiona Mitchell-Knight, Assistant Director, ASG [Items 10 & 17]
Gordon Neill, Senior Manager, PABV [Items 9 and 16]
Kathrine Sibbald, Senior Manager, PABV [Items 10, 12 & 17]
Joanna Stevenson, Audit Manager, Audit Strategy [Item 14]
Shelagh Stewart, Project Manager, PABV [Items 9, 12 & 16]

1. Apologies for absence

It was noted that apologies for absence had been received from Mike Ash, Graham Sharp and Pauline Weetman.

2. Declarations of interest

The following declarations of interest were made:

- Sandy Cumming, in items 9 and 16, as a trustee of the Robertson Trust, which has business interests in Moray.
- Colin Peebles, in item 11, as a registered private landlord.
- Linda Pollock, in item 7, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 16 to 20 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 15 May 2014

The minutes of the meeting of 15 May 2014 were approved as a correct record.

5. Minutes of meeting of Financial Audit and Assurance Committee of 29 May 2014

The minutes of the meeting of the Financial Audit and Assurance Committee of 29 May 2014 were approved as a correct record.

6. Minutes of meeting of Performance Audit Committee of 29 May 2014

The minutes of the meeting of the Performance Audit Committee of 29 May 2014 were approved as a correct record.

7. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary to the Commission providing an update on significant recent activity in relation to local government and issues of relevance or interest across the wider public sector.

During discussion the Commission:

- In relation to paragraph 6 (audit of Best Value and Community Planning: Comhairle nan Eilean Siar), agreed that the Secretary investigate the Commission's obligations in relation to Gaelic.

Action: Secretary

- In relation to paragraph 30 (Public Audit Committee), noted advice from the Secretary that the Public Audit Committee had published its sixth report of 2014, *Reshaping care for older people*, on 17 June 2014.
- In relation to paragraph 54 (Edinburgh trams project), noted advice from the Controller of Audit that he would bring a report to the Commission on options on reporting and scrutiny of the project.

Action: Controller of Audit

Thereafter the Commission agreed to note the report.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity, including meetings and discussions with stakeholders.

The Commission:

- Agreed that it be provided with further information on the *Future Cities* and *What Works Scotland* initiatives.
- Noted the Controller of Audit's report.

Action: Secretary

9. Community Planning in Moray

The Commission considered a report by the Secretary introducing a report, by the Controller of Audit and the Auditor General for Scotland, of the audit of community planning in Moray and seeking direction on how to proceed.

Following consideration, the Commission agreed:

- That the following issues arising from the report be considered for discussion in the national report at the conclusion of the current phase of five community planning audits:
 - Composition of community planning partnership boards
 - Support for community planning partnership boards.
- To note the report.
- To consider in private how to proceed.

Actions: Controller of Audit

10. Argyll and Bute Council

The Commission considered a report from the Secretary introducing the Controller of Audit's report on the progress made by Argyll and Bute Council against improvements previously required by the Commission.

Following consideration, the Commission agreed:

- To note the report.
- To consider in private how to proceed.

11. Benefits performance audit – annual report

The Commission considered a report by the Assistant Auditor General advising of the outcome of Audit Scotland's benefits performance audit work during 2013/14 and providing an update on welfare reform.

Following discussion, the Commission:

- Approved the report of Audit Scotland's benefits performance audit work during 2013/14.
- Noted the update on welfare reform.
- Agreed that the Chair send the report to all council leaders, chairs of audit committees and chief executives.

Action: Secretary and Assistant Auditor General

12. Statutory performance information 2012/13: an evaluation of public performance reporting

The Commission considered a report by the Director of Performance Audit and Best Value providing information for the Commission to consider how well councils were implementing the requirements of its statutory performance information (SPI) Direction through public performance reporting (PPR).

Following discussion the Commission:

- Noted the progress made by councils in fulfilling their obligations for public performance reporting as required by the SPI Direction.
- Noted areas where there remains room for improvement.
- Agreed that the Chair write to the leader, chair of audit committee and chief executive of each council, setting out:
 - The council's progress against each of the statutory performance indicators in relation to publishing performance information
 - An expectation that all councils will fully meet the evaluation criteria applied to the statutory performance indicators.
 - The evaluation of all councils, as set out in the Director's report.

Action: Secretary and Director of Performance Audit and Best Value

- Agreed to revisit findings later in the year to assist Commission to determine its SPI Direction 2014 for the audit year 2015/16 and develop supporting guidance.
- As part of this, agreed to review the requirement in statutory guidance which sets out the timeframe within which councils should produce PPR information.

Actions: Director of Performance Audit and Best Value

13. How councils work series

The Commission considered a report by the Secretary to the Commission seeking views on future subjects for the *How Councils Work* series of reports.

The Commission agreed to consider this matter more fully as part of a workshop event in the Autumn on the performance audit programme and related activities:

14. Annual Audit Scotland transparency and quality report

The Commission considered a report by the Assistant Auditor General outlining assurance on the quality of audit services delivered on the Commission's behalf by Audit Scotland and the professional firms.

During discussion the Commission:

- Recommended that future such reports make more prominent the role of the Commission and the Auditor General in quality assurance.
- Agreed, in relation to paragraph 64, that further consideration should be given to the findings of the reviews of partner agencies in relation to the extent to which recommendations are likely to lead to service improvements.

- Further to this, that such consideration be part of further discussion around the 'Expectations of Audit' project.

Action: Secretary and Assistant Auditor General

- Noted, in relation to paragraph 70, that Commission meetings with audited bodies following the publication of statutory reports are not primarily for the purpose of quality feedback, but rather to discuss with councils the Commission's findings.

Thereafter the Commission noted the report and assurance contained therein.

15. Appointment of auditors to integration joint boards

The Commission considered a report by the Assistant Auditor General seeking its agreement on the provisional appointments of external auditors on the integration joint boards (IJB) that are being created under the Public Bodies (Joint Working) (Scotland) Act 2014

Following discussion the Commission:

- Approved the provisional appointment of the auditor of each relevant council as the auditor of the IJB for that council area. Where two councils form a single IJB, that provisional appointment will be to the auditor of the administering council or, if neither council is undertaking the administration, then the largest council.
- Noted advice from the Assistant Auditor General that he would report to the Commission in the Autumn on accounting ethical standards and related matters of relevance to the Commission in its audit of IJBs.

16. Community Planning in Moray [in private]

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit.

The Commission discussed how to proceed in relation to the report by the Controller of Audit and Auditor General for Scotland on the audit of community planning in Moray.

Following discussion, the Commission agreed to make findings to be published in early course.

Action: Secretary

17. Argyll and Bute Council [in private]

The Commission agreed that this item be held in private to allow it to consider how to proceed in relation to a report by the Controller of Audit.

The Commission considered how to proceed in relation to the Controller of Audit's report on the progress made by Argyll and Bute Council against improvements previously required by the Commission.

Following discussion, the Commission agreed to make findings to be published in early course.

Action: Secretary

18. Accounts Commission annual action plan progress report and annual report
[in private]

The Commission agreed that this item be held in private to allow it to consider a draft report.

The Commission considered a report by the Secretary to the Commission providing an update on progress against its annual action plan and proposing an annual report for the year to 31 March 2014, and proposing arrangements for revising its strategy.

The Chair welcomed Shirley James and Bruce Stoddart, of Audit Scotland's communications team, to the meeting who gave a brief presentation on the online version of the annual report.

Following discussion, the Commission:

- Approved for publication the annual action plan progress report and annual report for 2013/14, subject to revision points raised in discussion
- Agreed the arrangements for revising its strategy, involving further discussion and formal approval later in the year.

Actions: Secretary

19. Progress with health and social care integration [in private]

The Commission agreed that this item be held in private to allow it to discuss issues of a confidential nature in relation to the integration of health and social care arrangements.

The Commission considered a report by the Secretary to the Commission proposing a discussion session with guests on progress with health and social care integration, with a focus on experience in Highland.

The Chair welcomed the following guests who took part in the discussion:

- Caroline Gardner, Auditor General for Scotland
- Steve Barron, Chief Executive, Highland Council
- Elaine Mead, Chief Executive, NHS Highland
- Alison Taylor, Team Leader, Integration, Scottish Government
- Paul Leak, Leader Officer for Integrated Budgets, Scottish Government.

Following discussion, the Commission agreed:

- To note progress to date.
- Agreed that the matter be subject to further discussion at future meetings.

*Action: Secretary and Director of
Performance Audit and Best Value*

Thereafter, the Chair thanked the guests for attending the meeting.

20. Commission business matters [in private]

The Commission agreed that this item be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Chair briefed the Commission on matters of interest.

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE OF 11 SEPTEMBER 2014

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 11 September 2014, at 10am.

PRESENT: Douglas Sinclair (Chair)
Mike Ash
Alan Campbell
Sandy Cumming
Christine May

OTHER COMMISSION
MEMBERS PRESENT: Bill McQueen
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
Angela Canning, Assistant Director, PABV [Item 4]
Gemma Diamond Senior Manager, PABV [Item 6]
Dorothy Lavery, Performance Auditor, PABV [Item 6]
Michael Oliphant, Project Manager, PABV [Item 5]
Mark Pentland, Performance Auditor, PABV [Item 6]
Mark Roberts, Senior Manager, PABV [Item 7]

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 29 May 2014
4.	Update on Performance Audit programme and <i>How Councils Work</i> series
5.	Performance audit: scope – Commonwealth Games (third report)
6.	Performance audit: emerging messages – Treasury management and borrowing
7.	Performance audit impact reports: Protecting consumers
8.	Any other business

1. Apologies for absence

It was noted that apologies for absence had been received from Colin Peebles.

2. Declarations of interest

Christine May declared an interest in item 4 as Vice-Chairman of Fife Cultural Trust.

3. Minutes of meeting of 29 May 2014

The minutes of the meeting of 29 May 2014 were approved as a correct record.

Arising therefrom, the Committee:

- In relation to item 4 (Performance audit programme and *How Councils Work* series), noted advice from the Chair that possible subjects for future work in relation to performance audit were the subject of discussion at the meeting of the Strategic Scrutiny Group on 28 August.
- In relation to the final bullet of item 7 (health and social care integration joint boards), advice was noted:
 - From the Director of Performance Audit and Best Value that, at the recent meeting of the Strategic Scrutiny Group, there had been a useful discussion, involving Kathleen Bessos, Deputy Director, Integration and Reshaping Care in the Scottish Government, on the need for the Commission and the Scottish Government to work closely in relation to the progress with the development of integration joint boards.
 - From the Chair that there remained a commitment for a presentation at a meeting of the Commission on progress on the 'body corporate' model of integrated joint boards.

4. Update on Performance audit programme and *How Councils Work* series

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on progress with performance audits and related impact reports and the *How Councils Work* series.

During discussion, the Committee:

- Agreed, in relation to the Commission report on School Education, that the Director provide more information on how councils responded to the report.

Action: Director of Performance Audit and Best Value

- Further in this regard, noted advice from the Chair that the audit sponsors should consider taking part in engagement with councils in relation to the report.
- Further in this regard, that, more generally, audit sponsors should consider as appropriate participating in reporting and promotional activities such as presentations to councils or audit committees.

Action: All members to note.

- Agreed that thought be given to products that encourage good practice, for example, how education committees can ensure their effectiveness.

Action: Director of Performance Audit and Best Value

- Noted advice from the Director that proposals for work around health and social care integration would feature in the report to the Commission at its November meeting on proposals for the performance audit programme.
- Noted advice from the Chair that proposals for work around elected member development would be considered by the Commission in relation to the *How Councils Work* series.

Action: All members to note.

Thereafter the Committee noted the update report.

5. Performance audit: scope – Commonwealth Games (third report)

The Committee considered a report by the Director of Performance Audit and Best Value seeking its approval of the approach to the performance audit *Commonwealth Games – third report*; a joint audit for the Accounts Commission and Auditor General. The report was complemented with a presentation from the audit team.

Following discussion, the Committee:

- Approved the approach proposed in the Director’s report and the supporting issues and investigation matrix, subject to the audit team addressing the issues raised in discussion, in conjunction with the audit sponsors.
- Agreed that the Director review the overall approach to audit advisory groups, to ensure the suitability for purpose of such groups.

Actions: Director of Performance Audit and Best Value

Thereafter the Committee approved the approach to the performance audit *Commonwealth Games – third report*.

6. Performance audit: emerging messages - Treasury management and borrowing

The Committee considered a report by the Director of Performance Audit and Best Value on the emerging messages from the performance audit on *Treasury management and borrowing*. The report was complemented with a presentation from the audit team.

Following discussion, the Committee agreed:

- A number of specific points to be addressed by the audit team in drafting the report of the audit.
- That thought be given on how to market practical advice in the report as part of the *How Councils Work* series.
- That a draft audit report be brought to the Commission meeting in December 2014 prior to publication in January 2015.

Actions: Director of Performance Audit and Best Value

7. Performance audit impact report – Protecting consumers

The Committee considered a report by the Director of Performance Audit and Best Value providing an update on the impact of the Accounts Commission’s report on *Protecting consumers* published in January 2013.

Following discussion, the Committee agreed:

- That a roundtable event for stakeholders, similar to that in relation to the report in November 2013, be arranged in November 2014 to further assess progress.

- To note the report.

Actions: Director of Performance Audit and Best Value

8. Any other business

The Chair advised that this meeting was the last such committee meeting to be attended by Mike Ash. He thanked Mike for all his input into the committee in his time as a Commission member.

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

**MINUTES OF MEETING OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE OF 11
SEPTEMBER 2014**

Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held in the offices of Audit Scotland, 18 George Street, Edinburgh on Thursday, 11 September 2014, at 2pm.

PRESENT: Bill McQueen (Chair)
Colin Duncan
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Director of Performance Audit and Best Value (PABV)
Russell Frith, Assistant Auditor General
Fiona Kordiak, Director of Audit Services
Paul O'Brien, Senior Manager, Audit Strategy [Item 7]
Gordon Smail, Senior Manager, PABV [Item 6]

1. Apologies for absence
2. Declarations of interest
3. Draft minutes of meeting of 29 May 2014
4. Current audit issues in councils
5. Intelligence Report: Scottish Public Services Ombudsman, Commissioner for Ethical Standards in public Life in Scotland; and Standards Commission
6. Local government overview report: update paper
7. The Local Authority Accounts (Scotland) Regulations 2014
8. Enhancing auditor reporting
9. Annual audit in focus: a firm's perspective – a presentation by Lindsey Paterson, Director, Government and Public Sector, PwC
10. Any other business

1. Apologies

It was noted that apologies for absence had been received from Linda Pollock, Graham Sharp and Douglas Sinclair.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of meeting of 29 May 2014

The minutes of the meeting of 29 May 2014 were approved.

Arising therefrom, the Committee:

- In relation to item 3, second bullet point (2012/13 local government pensions fund accounts), noted advice from the Director of Performance Audit and Best Value that he would propose to the next meeting of the Committee an approach to publicising the report of the 2013/14 accounts.
- In relation to item 4, first bullet point (Aberdeen City Council social care ALEO), noted advice from the Director of Audit Services that she would table a report in this regard as part of the next item.

4. Current audit issues in councils

The Committee considered a report by the Director of Audit Services outlining emerging issues, recurring themes and individual issues of interest in Scottish councils, focusing on issues relevant to the annual audit.

The Director also tabled a report updating the Committee on the performance of Aberdeen City Council's local authority trading company, Bon Accord Care Ltd.

During discussion it was agreed:

- To note advice from the Director of Audit Services that issues relating to capital accounting would be considered for inclusion in the Local Government Overview report.
- To note advice from the Director of Performance Audit and Best Value that pay modernisation would be an issue for considering as a possible subject for the performance audit programme or related work, to be the subject of discussion at the next meeting of the Commission.
- In relation to paragraphs 5 to 7 of the report (legacy liabilities), to note advice from the Director of Performance Audit and Best Value that he would be reporting to the Commission on legacy liabilities at a future meeting.
- In relation to paragraph 13 of the report (holiday pay), to note advice from the Director of Performance Audit and Best Value that COSLA had issued advice on the matter, but it remained subject of much discussion by councils.
- That an update on the performance of Bon Accord Care Ltd be reported to the next meeting.

Action: Director of Audit Services

- To note advice from the Director of Performance Audit and Best Value on ongoing follow-up audit work in Argyll and Bute Council.
- To note advice from the Director of Performance Audit and Best Value on ongoing audit work in East Dunbartonshire Council.

- To note advice from the Director of Performance Audit and Best Value that David Martin, Chief Executive of Renfrewshire Council, had been appointed as Chief Executive of Dundee City Council.

Thereafter the Committee agreed to note the report.

5. Intelligence Report: Scottish Public Services Ombudsman, Commissioner for Ethical Standards in Public Life in Scotland; and Standards Commission

The Committee considered a report by the Secretary to the Accounts Commission providing an update for intelligence emerging from the work of the Scottish Public Sector Ombudsman (SPSO), Commissioner for Ethical Standards in Public Life in Scotland and Standards Commission for Scotland.

Following discussion the Committee agreed:

- To continue receiving such reports, with format to be discussed between the Secretary and Chair.

Action: Secretary to the Commission

- To note the report.

6. Local government overview report: update paper

The Committee considered an update report by the Director of Performance Audit and Best Value on the local government overview report and seeking its consideration on feedback from stakeholders in preparation for the 2015 report.

Following discussion the Committee agreed:

- To note advice from the Secretary about positive feedback on the 2014 report, including its format, from SOLACE office-bearers at a recent meeting, particularly relating to the practical advice for members and officers.
- To note the feedback from stakeholders on the 2014 report, as set out in the Director's report.
- To note the options set out in the Director's report, but to refer further refinement of the format of the report to discussions between the audit team and audit sponsors and Commission Chair, subject to a general direction that the format of the 2014 report was generally appropriate for continuing.

Action: Director of Performance Audit and Best Value

7. The Local Authority Accounts (Scotland) Regulations 2014

The Committee considered a report by the Assistant Auditor General providing a briefing on the Local Authority Accounts (Scotland) Regulations 2014.

Following discussion the Committee agreed to note the requirements of the 2014 Regulations.

8. Enhancing auditor reporting

The Committee considered a report by the Assistant Auditor General advising on recent changes in private sector auditor reporting and seeking the Committee's comment on how Audit Scotland, in the light of this, intended to enhance auditor reporting in the Scottish public sector.

Following discussion the Committee agreed to noted the proposed developments in auditor reporting for 2014/15 audits.

9. Annual audit in focus: a firm's perspective – a presentation by Lindsey Paterson, Director, Government and public Sector, PwC

The Chair welcomed Lindsey Paterson, Director, PwC, to the meeting, who delivered a presentation to the Committee illustrating the annual audit process from an auditing firm's perspective. In her presentation, she covered:

- The complexity and shaping of the audit
- Expectations of the audit
- Focusing the audit
- Meeting stakeholder needs

Following discussion, the Chair thanked Lindsey Paterson for her presentation

10. Any other business

The Secretary, on behalf of the Chair of the Commission, advised that this meeting was the last such committee meeting to be attended by Bill McQueen. He thanked Bill on behalf of the Commission for his input in chairing the committee.

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

REPORT BY SECRETARY TO THE ACCOUNTS COMMISSION

UPDATE REPORT

Introduction

1. The purpose of this report is to provide a regular update to the Commission on significant recent activity relating to local government, as well as issues of relevance or interest across the wider public sector.
2. The regular Controller of Audit report to the Commission which updates the Commission on his activity complements this report. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. Further, detailed news in relation to local government activity is provided in the weekly media digests produced by Audit Scotland's Communications Team and provided to Commission members alongside Commission meeting papers.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are provided in the electronic version of this report for ease of reference.

Commission business

Impact of recent reports

4. The [Self-Directed Support](#) report was published on 12 June 2014. STV and BBC bulletins both covered the story. It was a page lead in The Herald and there was also coverage in the Record, i, and Press and Journal which also used the key messages. There was measured comment from Labour, the Lib Dems, COSLA and the Royal College of Nursing, reflecting their perspectives from the report. There were 1004 downloads in June, 425 in July and 392 in August. Since publication, the local audit team have undertaken a range of follow-up activity with stakeholders:
 - A feedback session with Dumfries and Galloway Council social care officers.
 - The final feedback meeting with the four case study councils (23 July 2014). Feedback positive and those attending planned to visit other councils to learn from good practice.
 - Presentation and discussion with the Personalisation Leads Group of the Coalition of Care and Support Providers in Scotland (CCPS), (10 August 2014). This is a group of managers and staff from third sector organisations and leading changes relating to self-directed support.
 - Invitation to be keynote speaker at the Capita Conference 'Implementing Self-directed support', (20 November 2014, Edinburgh).
5. The [School Education](#) report (published 19 June 2014) attracted far more [media interest](#) than any other Accounts Commission report this year – a total of 48 print items from nationals to locals. It was the lead story in the Metro. Reports used the main

points (e.g. cuts in budgets/teachers and the need to address the attainment gap). The key messages were generally reflected accurately. It also received extensive coverage on both the BBC and STV. The report was also raised at FMQs the following day. The Commission Chair wrote to the Leader of the Opposition in this regard and, subsequently, met with her on 13 August 2014. There was extensive coverage and subsequent analysis of the wider content of the report in Times Education Scotland Supplement (TESS) both at the outset and through the summer. It had 1216 downloads in June, 1045 in July – the highest number during these months - and 458 in August. Latterly, Moray Council released its own [statement](#) in response to the report (17 July 2014), highlighting that its decision to focus on improving attainment in schools is in accordance with the report core findings.

6. Since publication, the audit team have continued to have considerable engagement with stakeholders and interested parties:
 - At the end of June, the audit team gave an informal briefing to the Scottish Parliament's Education Committee on the report's key findings to help inform and shape the committee's future work programme. There is likely to be further engagement with the Committee over the coming months.
 - Local auditors have been provided with briefing packs for their individual councils to support the report.
 - Presentations of the report findings are scheduled to council committees in East Renfrewshire, West Lothian and Highlands. The team have also been invited to present at Education Scotland's Audit and Risk Committee.
 - The report has already been tabled at Education Committees in Angus, West Dunbartonshire, East Dunbartonshire and Aberdeenshire Councils with the recommendations being endorsed by elected members. For example, East Dunbartonshire Council will incorporate report recommendations into its next Education Service's Business Improvement Plan. Aberdeenshire Council have developed an action plan to take forward recommendations.
 - In October 2014, the audit team has been invited to speak at a National Partners event which brings together organisations focussed on wider achievement such as the Duke of Edinburgh Award Scheme etc.
 - The team continue to engage with stakeholders and will attend the Scottish Learning Festival (SECC, 22 September 2014).
7. On 3 July 2014, the [Argyll and Bute Council: Follow-up audit](#) was published. The report and findings generated extensive press and broadcast coverage, with The Herald, Courier & Advertiser, Press & Journal and The Buteman all running balanced articles. The key messages and findings were communicated well. The [BBC](#) and [STV](#) also ran articles online. Local newspapers (Buteman, Oban Times, Argyllshire Advertiser, Helensburgh Advertiser, Dunoon Observer) also gave wide coverage with quotes from local MPs and MSPs. There were 270 downloads in July and 85 in August. Since publication, the local audit team continues to have close engagement with the council. The team have considered specific issues arising during the follow-up audit and from correspondence from third parties. The Commission has requested that the Controller of Audit reports progress against this audit by the end of 2015. Meanwhile, any significant issues will be reflected in the annual report on the 2013/14 Audit to be issued in October.
8. The [Moray Community Planning Partnership](#) report was published on 10 July 2014. This report received reasonable coverage in the Press and Journal and four weekly

papers in the North-east. Most were based on Press Association copy and generally reflected key messages. Additional news interest in the report was generated by critical response response from Councillor Allan Wright, chair of the Moray CPP. As is customary, the Commission will meet the CPP in October or November 2014, to review the audit. The report received 243 downloads in July and 110 in August.. The CPP Board considered the report at their meeting of 15 May. It was very well received and, subsequently, an Improvement Plan, reflecting all the key report recommendations, was discussed at the CPP Board meeting of 14 August.

9. The [Accounts Commission 2013/14 Annual Report](#) was published on 16 July 2014 in web-based, interactive format. The report reviews the Commission's work over the last year. The Commission's [Annual Action Plan Progress Report: 1 April 2013 – 31 March 2014](#) was also published at the same time. Up to 31 August 2014, the annual report had received 684 visits (369 unique visits).

Other Commission business

10. On 6 June 2014, the Accounts Commission's annual statements on [efficiency, effectiveness and economy](#) and [sustainable economic growth](#) for 2013/14 were published. These statements were published in accordance to Public Services Reform (Scotland) Act 2010, which requires listed public bodies to publish such statements.
11. The Chair attended a meeting of the Scottish Parliament's [Public Audit Committee](#) on [25 June 2014](#) in relation to the Account Commission's 2014 overview of local government report. He also attended a meeting of the [Local Government and Regeneration Committee](#) on [13 August 2014](#) to give oral evidence on the 2014 overview of local government report.
12. The Public Audit Committee published (3 July 2014) a [letter](#) from the Chair concerning the [An overview of local government in Scotland 2014](#) report following the PAC's consideration of the report at its meeting of 25 June 2014. The letter provides further information on the levels of net indebtedness in councils.
13. On 4 September 2014, the Chair gave a [presentation to Institute of Revenues Rating and Valuation \(IRRV\) conference](#) (Creiff). More details of the event, including all speaker notes are available on the IRRV's [website](#).

Auditor General for Scotland:

14. The Public Service Quarterly (Holyrood magazine – Summer 2014) featured an interview with Caroline Gardner, Auditor General for Scotland (AGS). The article, entitled [When the Auditor calls](#), reviews her career to date and underlines the importance of Audit Scotland remaining independent, whilst working alongside and understanding the audited public bodies.

Audit Scotland:

15. On 11 June 2014, Audit Scotland published its [Annual Review 2013/14](#) in web-based format incorporating interactive features. The review summarises statutory annual reports and accounts and highlights work and achievements over the past year. For the period to the end of August, the review generated 1554 visits and 809 unique visits.

16. [The National Fraud Initiative in Scotland](#) report was published on 26 June 2014. It received wide media coverage (Herald, Telegraph, Express, Courier, Press and Journal, BBC and STV). The key messages were well reflected. There were 126 downloads in June, 204 in July and 159 in August.
17. Audit Scotland published new [Notes for Guidance](#) (27 June 2014), relating to [Whole of government accounts returns 2013/14 - Central government](#) and [Whole of government accounts returns 2013/14 - Local government](#). Audit Scotland's Technical guidance and support [webpage](#) provides more information, including Technical Bulletins and Grant Notes.
18. The Audit Scope, [Broadband infrastructure leaflet](#) (July 2014) was published online. It summarises the ongoing audit of the 2012 Scottish Government's programme to deliver digital connectivity across Scotland by 2020. The audit will run from July 2014 to February 2015.
19. The Scottish Government (Local Government Division) wrote to Russell Frith, Assistant Auditor General, concerning [Local Authority Accounts \(Scotland\) Regulations 2014](#) (dated 16 July 2014). These regulations were laid before the Scottish Parliament on 7 July 2014, due to come into force on 10 October 2014. The letter refers to the Accounts Commission and Audit Scotland's joint response (September 2013) to the consultation on the proposed local authority accounts regulations. More details of the regulations are available at: <http://www.legislation.gov.uk/ssi/2014/200/contents/made>.
20. The Technical Services Unit (TSU) briefing, [Towards clear and concise reporting - TSU summary briefing note](#) was published on 15 August 2014. The briefing summarises the key messages emerging from the recent Financial Reporting Council report, *Towards clear & concise reporting* (August 2014) for local auditors. The report identifies companies which have made their annual reports clearer and more concise (review period September to December 2013) and suggests practical steps for further improvement.
21. On 3 September 2014, Fiona Kordiak, Director of Audit Services, presented the keynote speech at the [Managing Scottish Public Sector Budgets: Ideas for challenging times](#) conference (Edinburgh, 3 September 2014) hosted by MacKay Hannah. The sixth annual conference explored new ways to deliver services at lower cost and innovating to deliver improved services with existing budgets. Her [presentation](#) and [speaking notes](#) are available to read via the Commission portal.
22. As part of its ongoing relationships with overseas audit bodies, Audit Scotland will host the 2014 annual [EUORAI \(European Organisation of Regional External Public Finance Audit Institutions\)](#) (Edinburgh, 23-24 October 2014): conference. The theme of this year's event will be *Auditing in a Period of Austerity* with contributions from speakers and delegates from across Europe. It aims to encourage the exchange of knowledge, experience, ideas and the better use of public finances, contributing towards Audit Scotland's vision to be a world class organisation. More information on EUORAI and its activities can be found on its [website](#). Further details of Audit Scotland's forthcoming international activities, including visits from overseas audit bodies are available via the Commission [portal](#).

Issues affecting local government

Scottish Government:

23. In a letter to [Chief Executives, Scottish Public Bodies](#) (dated 6 June 2014), the Head of Public Bodies and Public Service Reform Unit, Scottish Government, summarises the key issues and responses emerging from the recent Settlement Agreements – Consultation on Updated Process. It indicates that the revised Settlement Agreement process will be reviewed after one year.
24. On 11 June 2014, the Scottish Government published the responses to its Consultation on [Community Empowerment \(Scotland\) Bill: Analysis of Responses](#) and [research findings](#). The consultation closed on 24 January 2014. 424 responses to the consultation were submitted, 79 per cent from organisations, including the Accounts Commission and Auditor General for Scotland, and 21 per cent from individuals. The majority of responses indicated broad support for proposals set out in the consultation paper. The [Local Government and Regeneration Committee](#) is the lead Committee scrutinising this Bill (see paragraph 43 for details).
25. The Scottish Government published the [Scottish Independence Bill: A consultation on an interim constitution for Scotland](#) on 16 June 2014. It has launched a [consultation](#) on the Scottish Independence Bill, which would make provisions for Scotland to become an independent State in March 2016 and sets out a draft interim constitution. A [summary document](#) and respondent information form have also been published. The deadline for responses is 20 October 2014. More details are available on the Scottish Government's [website](#).
26. The Scottish Government published [Empowering Scotland's Island Communities](#) (16 June 2014), in conjunction with the leaders of Scotland's island councils. It sets out proposals to bring forward a Bill for an Island Act in the event of independence and create a Minister for Island Communities post. More details are available on the Scottish Government's [website](#).
27. On 17 June 2014, the launch of the [Scottish Cities Alliance Investment Funding Model](#) was announced. This is a new financial model for investment, the Growth Accelerator Model (GAM). The new model aims to stimulate growth, create jobs and support businesses in Scotland's seven cities - Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling. More details are available on the Scottish Government's [website](#).
28. The Scottish Government's [Response to the Commission for Developing Scotland's Young Workforce](#) was published on 24 June 2014. In the statement to the Scottish Parliament, in response to the Wood Commission's final [report](#), Angela Constance, Cabinet Secretary for Training, Youth and Women's Employment announced a total investment of £4.5 million in schemes to support young people's skills development and job opportunities. More details are available on the Scottish Government's [website](#).
29. The [Scottish Fire and Rescue Service \(SFRS\) Governance and Accountability Framework](#) was published on 24 June 2014. The framework is a non statutory document which outlines broad governance structures for the SFRS and defines key accountability roles and responsibilities between the SFRS and the Scottish Government. More details are available on the Scottish Government's [website](#).

30. On 22 June 2014, the [Scottish Social Attitudes Survey 2013: core module - attitudes to Government, the economy, health and social care services, and social capital in Scotland](#) was published. This report presents findings from the Scottish Government core module in the 2013 Scottish Social Attitudes survey. It discusses changing attitudes to government, economy and standards of living, health service, social care, social capital and life satisfaction. More details are available on the Scottish Government's [website](#).
31. The Public Audit Committee published on 11 June 2014 a [Written submission from the Scottish Government](#) concerning the [Managing Early Departures from the Scottish Public Sector](#) (May 2013) report.
32. The Scottish Government published on 27 June 2014 the [Welfare Reform \(Further Provision\) \(Scotland\) Act 2012 Annual Report – 2014](#). This report sets out the impacts, as they are understood to date, of the provisions of the Welfare Reform Act 2012; and the mitigation actions taken by the Scottish Government. More details are available on the Scottish Government's [website](#).
33. The Scottish Government has provided more details of the [Integrated Care Fund](#). Plans for additional funding to support the integration of health and social care were first announced by John Swinney, Cabinet Secretary for Finance and Sustainable Growth, in his budget statement to the Scottish Parliament (11 September 2013). The Scottish Government's letter (7 July 2014) to NHS Board chief executives and local authority chief executives, confirms that Health and Social Care Partnerships (HSCPs) will receive an additional £100m in 2015/16 to support service integration and ensure funds are directed to community and third sector preventative services. HSCPs will deliver this through the production of Integrated Care Plans. The letter and accompanying guidance explain how the Integrated Care Fund will be distributed, underlining the important role of the third sector in delivering future services. The money will be available to partnerships following the end of the £300m Reshaping Care for Older People (RCOP) Change Fund, which concludes in April 2015. The aim is for HSCPs to sign off Plans signed off by December 2014.
34. The Scottish Government's publication, [Self-directed Support: my support, my choice: your guide to social care](#) (published 10 July 2014) is a guide for people receiving social care support or considering getting support. More details are available on the Scottish Government's [website](#).
35. The Scottish Government announced details of the [Community Broadband Scotland programme](#) (14 July 2014). Through the programme, an additional £2.5 million will be made available to support broadband in rural areas bringing the total investment in the Community Broadband Scotland programme to £7.5 million. More information is available on the Scottish Government's [website](#).

Statistical Publications:

36. The Scottish Government has published a number of statistical publications, namely:
 - [Summary statistics for attainment, leaver destinations and healthy living, No.4: 2014 Edition](#) (17 June 2014). This publication presents post-appeal attainment information (2012/13), initial and sustained school leaver destinations (2012/13) and healthy living information (2014). More details are available on the Scottish Government's [website](#).

- [Council Tax Collection Statistics 2013-14](#) (17 June 2014). This publication provides Council Tax collection figures by Scottish councils for the financial year 2013-14 and previous years. More details are available on the Scottish Government's [website](#).
- [Police Officer Quarterly Strength Statistics](#) (5 August 2014) provides statistics on Police officer numbers. Figures indicate that officer numbers have increased by 1,084 since March 2007. As at 30 June 2014, there were 17,318 full-time equivalent (FTE) police officers in Scotland. More details are available on the Scottish Government's [website](#).
- [Poverty and Income Inequality in Scotland: 2012/13](#) (1 July 2014). These [statistics](#) present annual estimates of the percentage and number of people, children, working age adults and pensioners living in low income households in Scotland in 2012/13. More information is available on the Scottish Government's [website](#).
- [NEET Estimates at a Local Authority Level](#) (July 2014). These [statistics](#) show a decline in the rate of 16 to 19 year olds classified as NEET (not in employment, education or training) in every council in Scotland since 2003. Over the year to November 2013, the largest decreases occurred in South Ayrshire, Midlothian and North Ayrshire, whilst Clackmannanshire, North Lanarkshire, South Lanarkshire and West Dunbartonshire recorded the highest NEET rates in 2013. More details are available on the Scottish Government's [website](#).
- [Scottish Welfare Fund Statistics: 2013-14](#) (15 July 2014). Statistics on the first year of the Scottish Welfare Fund, which comprises of Community Care Grants and Crisis Grants. More details are available on the Scottish Government's [website](#).
- [Planning Authority Performance Statistics 2013/14](#) (24 July 2014). These statistics cover planning decision-making and timescales for 2012/13 and 2013/14. The figures indicate [improvements](#) in average planning decision times for local developments. More details are available on the Scottish Government's [website](#).

Parliamentary Committee News:

Local Government and Regeneration Committee:

37. At its meeting of 11 June 2014, the Committee considered its inquiry on the Flexibility and Autonomy of Local Government. It also completed its consideration of Disabled Persons' Parking Badges (Scotland) Bill at Stage 2.
38. On 18 June 2014, the Committee considered the Flexibility and Autonomy of Local Government, including the evidence received at its meeting on 11 June. A draft report on its inquiry was also considered. Various changes were discussed and the Committee agreed to consider a revised draft report, in private, at its next meeting. Also at this meeting, the Committee considered its approach to the forthcoming Air Weapons and Licensing (Scotland) Bill and agreed its general approach to scrutiny of the Bill at Stage 1.
39. At the 25 June meeting, the Committee considered the Community Empowerment (Scotland) Bill. It agreed its general approach to scrutiny of the Bill at Stage 1. The

Committee's work programme for the period up to June 2015 was agreed. Specifically, a Chamber debate on its inquiry report into Flexibility and Autonomy of Local Government, and the Scottish Government's response to the report, would be sought; and to take oral evidence from the Cabinet Secretary for Finance, Employment and Sustainable Growth, COSLA, and others as required in later 2014, on the draft local government finance circular (which details the provisional allocations to local councils), as part of its mainstreaming of budget scrutiny, and to consider a more detailed approach to this work at a later date. In addition, the Committee considered a revised draft report on its inquiry into Flexibility and Autonomy of Local Government. A number of changes were agreed and the Committee agreed the report.

40. At its 13 August meeting, the Committee considered the Accounts Commission for Scotland local government overview report. It took evidence from Douglas Sinclair, Chair, Accounts Commission for Scotland, Fraser McKinlay, Controller of Audit and Director, Performance Audit and Best Value, and Gordon Smail, Senior Manager, Audit Scotland.
41. On 20 August, the Committee considered local government benchmarking. It heard evidence from David Martin, SOLACE Scotland; Mark McAteer, Director of Governance and Performance Management, Improvement Service. In relation to the Community Empowerment (Scotland) Bill, the Committee agreed its approach to the scrutiny of written and oral evidence on the Bill at Stage 1.
42. On 27 June 2014, the Committee published its [8th Report, 2014 \(Session 4\): Flexibility and Autonomy in Local Government](#). It concludes that councils should have increased freedoms and powers and recommends that an independent cross-party commission is established to review local authority funding with a new financial system being identified by the local government elections in 2017. More details, including the full report are available on the Parliament's [website](#).
43. The Committee published on 8 September 2014 the [joint response](#) from the Accounts Commission and the Auditor General for Scotland to the Committee's call for evidence on the [Community Empowerment \(Scotland\) Bill](#). The Commission Chair and AGS are due to attend a meeting of the Committee in October or November 2014 to give oral evidence in relation to the Bill. More information on the Bill's progress is available on the Committee's [webpage](#).

Public Audit Committee:

44. At its 25 June meeting, the Committee considered its approach to the joint Auditor General for Scotland and Accounts Commission report, *Self-directed support* and take evidence from Caroline Gardner, Auditor General for Scotland. The Committee agreed to write to the Scottish Government on issues raised in discussion. Also at this meeting, the Committee received a briefing from the Accounts Commission on the report entitled, *An overview of local government in Scotland 2014*, from Douglas Sinclair, Chair, Accounts Commission; Fraser McKinlay, Director and Controller of Audit, and Gordon Smail, Senior Manager, Audit Scotland.

45. The Committee took evidence on the joint Section 23¹ report by the Auditor General for Scotland and Accounts Commission report, *Self-directed support*. Evidence was taken from Caroline Gardner, Auditor General for Scotland; Fraser McKinlay, Director and Controller of Audit, Claire Sweeney, Senior Manager, and Cathy MacGregor, Project Manager, Audit Scotland.
46. The Committee considered a written submission from Skills Development Scotland regarding the Auditor General for Scotland Section 23 report, *Modern apprenticeships*. It agreed to write to Skills Development Scotland and the Scottish Government on issues raised in discussion. The Committee considered written submissions from the Scottish Government on the joint Section 23 report by the Auditor General for Scotland and Accounts Commission report, *Managing early departures from the Scottish public sector*. It agreed to write to the Scottish Government on issues raised in discussion.
47. On 17 June, the Committee published its [6th Report, 2014 \(Session 4\): Report on Reshaping care for older people](#) following the Auditor General for Scotland (AGS) and Accounts Commission report, *Reshaping care for older people* (February 2014). The committee concludes that increasing demand and budget pressures make progress on older people's care more difficult. More information on the report is available on the PAC's [webpage](#).
Correspondence:
48. The Committee published:
- a [letter](#) (dated 2 July 2014) from the Auditor General for Scotland in response to the Committee's report [NHS financial performance 2012/13 and Management of patients on NHS waiting lists - audit update](#). It confirms the NHS in Scotland 2013/14 report will be published in October 2014.
 - [letter to the Chair of the Accounts Commission](#) (dated 16 July 2014) from Martin Reid, Local Government and Communities Directorate, in response to the Committee's consideration of issues relating to settlement agreements (or compromise agreements) in the public sector. This followed the Accounts Commission and the Auditor General's report on [Managing early departures from the Scottish public sector](#) (May 2013). The letter refers to the revised arrangements for Settlement Agreements, as set out in Head of Public Bodies & Public Service Reform Unit's [letter to Chief Executives of Scottish Public Bodies](#) (6 June 2014).
 - [Correspondence from the Scottish Policy Authority \(SPA\) to the Public Audit Committee](#) (dated 17 July 2014). The correspondence was in response to PAC's report on police reform and request (10 July) for formal responses to the recommendations. The letter covers the identification of baseline data for non-operational areas and clarification of 2013-14 savings. Specifically, it refers to "the Auditor General's comments in relation to Bremner House on the need for clarity in roles and relationships".
 - [Written submission from the Scottish Government to the Public Audit Committee, dated 14 July 2014](#) in response to the Committee's report on Police reform. It notes that evidence was provided by the Auditor General for Scotland and refers

¹ The Auditor General for Scotland (AGS) reports to the Public Audit Committee under Section 23 of the Public Finance and Accountability Act on economy, efficiency and effectiveness of public sector bodies (excluding local government).

to the recent publication of financial information (within Police Scotland Corporate Strategy – March 2014) which had been sought by Audit Scotland.

- [Scottish Government Response to PAC Report on NHSScotland Financial Performance 2012/13 and Management of Patients On NHS Waiting Lists – Audit Update](#) (dated 1 August 2014). The response includes a number of references to Audit Scotland.

Infrastructure and Capital Investment Committee:

49. The Committee's business at its 18 June 2014 meeting included Broadband and Prestwick Airport.

Finance Committee:

50. On 25 June 2014, the Committee agreed its approach to the Financial Memorandum of the Air Weapons and Licensing (Scotland) Bill and the Welfare Funds (Scotland) Bill. At its 6 August 2014 meeting, the Committee agreed its approach to the Financial Memorandum of the Community Empowerment (Scotland) Bill:
51. In addition, the Committee published the following reports:
 - [4th Report, 2014 \(Session 4\): Annual Report 2013-14 6th Report, 2014 \(Session 4\): Public Appointments and Public Bodies etc. \(Scotland\) Act 2003 \(Treatment of Revenue Scotland as Specified Authority\) Order 2014 \[draft\]](#) (20 June 2014).
 - [5th Report, 2014 \(Session 4\): Appointments to the Scottish Fiscal Commission](#) (19 June 2014).
52. As part of preparation for its scrutiny of the 2015/16 Scottish budget, the Committee will on 1 October 2014 take evidence from Audit Scotland, alongside the Improvement Service and CIPFA, on performance and outcomes.

Justice Committee:

53. At its meeting of 19 August 2014, the Committee considered Police and Fire Service Reform. It took evidence from Derek Penman, HM Inspector of Constabulary in Scotland; Andy Cowie, Assistant Inspector of Constabulary in Scotland; Steven Torrie, HM Chief Inspector of the Scottish Fire and Rescue Service.
54. In addition, the Committee published the following reports:
 - [8th Report, 2014 \(Session 4\): Proceeds of Crime Act 2002 \(Amendment of Schedule 4\) \(Scotland\) Order 2014](#) (20 June 2014).
 - [9th Report, 2014 \(Session 4\): Scottish Legal Complaints Commission \(Modification of Duties and Powers\) Regulations 2014](#) (12 August 2014).

Justice Sub-Committee on Policing:

55. On 21 August 2014, the Sub-Committee considered Armed police. It took evidence from Vic Emery, Chair, and Iain Whyte, Board Member, Scottish Police Authority; Derek Penman, HM Inspector of Constabulary in Scotland, and Dr Brian Plastow, Lead Inspector, HM Inspectorate of Constabulary in Scotland.

Welfare Reform Committee

56. The Committee published the following reports:
- [5th Report, 2014 \(Session 4\): Report on Local Impact of Welfare Reform](#) (23 June 2014):
 - [6th Report, 2014 \(Session 4\): Subordinate Legislation](#) (13 August 2014).
57. The Committee published a [letter from David Mundell MP](#) (dated 25 June 2014) to the Chair of the Committee and a [joint letter issued to Scottish local authorities](#) from the Department for Work and Pensions, Scottish Office concerning Discretionary Housing Payments - Section 63 Order.

Scottish Parliament News:

58. The Scottish Parliament has had two periods of recess since June:
- 28 June to 3 August 2014
 - 23 August to 21 September 2014
59. The Parliament published its [Annual Report 2013/14](#) (23 June 2014). The report covers the parliamentary year May 2013 to May 2014 and reviews major Parliamentary and committee business and public engagement activities. More information, including the full report, is available on the Parliament's [website](#).
60. On 30 June 2014, the Parliament has published the [Private and Hybrid Bills – revised Guidance and determinations](#) following a general review of Private and Hybrid Bill procedure. More information on the guidance including the detailed guidance volumes, is available on the Parliament's [website](#).
61. The following SPICe Briefings have been published since June 2014:
- [Commonwealth Scotland](#) (25 June 2014) illustrates social, economic and environmental change in Scotland since the Edinburgh Commonwealth Games in 1970. More information, including interactive e-book format, is available on the Parliament's [website](#).
 - [Productivity](#) (21 August 2014) provides background information on the measurement of productivity in Scotland and considers recent performance. More details are available on the Scottish Parliament's [website](#).
 - [Welfare in Scotland: Current Changes and Future Proposals](#) (20 August 2014) provides information on recent UK wide welfare reforms introduced by the UK Government. It considers proposals for welfare following the referendum on Scottish independence on 18 September 2014. It summarises the Scottish Government's welfare proposals, and considers the main unionist parties' proposals for further devolution of welfare in the event of 'yes' and 'no' votes in the referendum. More details are available on the Scottish Parliament's [website](#).
 - [Welfare Funds \(Scotland\) Bill](#) (19 August 2014) provides an overview of the Welfare Funds (Scotland) Bill, its financial memorandum and impact assessments as well as offering further background information on the Scottish Welfare Fund. More details are available on the Scottish Parliament's [website](#)

Bills – Progress Updates:

62. The [Community Empowerment \(Scotland\) Bill](#) was introduced by the John Swinney MSP, Cabinet Secretary, on 11 June 2014. Stage 1 consideration is due to be completed by 6 February 2015. The Local Government and Regeneration Committee is the lead committee.
63. Consideration of the [Criminal Justice \(Scotland\) Bill](#) at Stage 2 is continuing – a completion date has not yet been considered. The Justice Committee (lead committee).
64. Consideration of the Government Bill, [Air Weapons and Licensing \(Scotland\) Bill](#) was (introduced 14 May 2014) continues. The Local Government and Regeneration Committee is lead committee. A Stage 1 completion date has yet to be scheduled.
65. The [Welfare Funds \(Scotland\) Bill](#) was introduced by Nicola Sturgeon MSP, Cabinet Secretary, on 10 June 2014. The lead committee is the Welfare Reform Committee. Stage 1 consideration continues.
66. The Justice Committee completed Stage 2 consideration of the [Courts Reform \(Scotland\) Bill](#) at on 27 June 2014.
67. The [Disabled Persons' Parking Badges \(Scotland\) Bill](#) was passed at Stage 3 on 19 August 2014. The Local Government and Regeneration Committee is the lead committee.
68. The [Revenue Scotland and Tax Powers Bill](#) was passed at Stage 3 on 19 August 2014. The lead committee is the Finance Committee.

COSLA, Improvement Service etc.:

69. On 14 August 2014, the Commission on Strengthening Local Democracy published the final report of its investigations, [Effective Democracy: Reconnecting with Communities](#). The report presents the findings of the Commission's year-long exploration of local democracy and outlines its proposals its recommendations to enhance local democracy and links with local communities. More details of the Commission's investigations and findings are available at its [website](#).
70. The Improvement Service published [Consultation Practices within Scottish Local Authorities and Community Planning Partnerships](#) (11 September 2014). This publication, produced jointly by the Improvement Service and the Consultation Institute, finds that the practice of consultation overall is improving across local authorities and there is a genuine desire to engage citizens in decision-making. It underlines that it should be done in a strategic and coherent manner to ensure that people do not become ambivalent about participation because they perceive the consultation as being unfocused or irrelevant. More information is available on the Improvement Service [website](#).

Current activity and news in local government:

71. Pat Watters, Chair of National Community Planning Group, wrote to [Chairs of Community Planning Partnerships](#) on 17 July 2014. This letter updates chairs on the work of the National Community Planning Group following the latest meeting of 10 June 2014. (Papers of the Group are available on the Commission member portal). The letter highlights the Accounts Commission and Auditor General's recent CPP audit

report of Glasgow CPP. It also refers to the recent launch (26 June 2014) of *What Works Scotland*. Further updates will be issued in the coming months.

Individual councils:

72. The following paragraphs highlight current activity and news occurring in local government over the previous month as well as developing issues. The items are drawn from a range of sources including news articles, websites and media summaries. A report of more detailed intelligence from councils was made to the Performance Audit Committee at its meeting on 11 September 2014..
73. On 26 June 2014, Stirling and Clackmannanshire Councils agreed a report on [Shared Services in Stirling and Clackmannanshire Councils](#), recommending that Education and Social Services across both councils be further integrated. These services will be developed further under a full lead authority model, subject to the development of a full business case. More details, including the full report, are available on Stirling Council's [website](#).
74. East Ayrshire Council announced on 17 July 2014 the dismissal of Alan Neish, Head of Planning and Economic Development, after a disciplinary hearing. It was held to investigate his role in the mismanagement of the project to restore former opencast mine sites which resulted in a £132m shortfall, following the collapse of Scottish Coal and ATH Resources. The council has stated previously that it has no statutory duty or legal obligation to meet the shortfall for restoring the opencast sites. More details are available on the BBC [website](#).
75. The Labour Party has lost overall control of Inverclyde Council after councillor Vaughan Williams announced on 13 September 2014 that she was resigning from the party to campaign for a 'yes' vote in the independence referendum. Labour now has 9 of the 20 seats on the council.
76. At an awards ceremony on 11 September 2014, the Association for Public Service Excellence (APSE) announced the winners of its [service awards 2014](#). The APSE awards are specific to frontline services provided by local authorities and are UK wide. Scottish councils won five of the 20 awards categories, including Overall Council of the Year in Service Delivery. A total of 35 Scottish councils were finalists across all categories:
 - Fife Council won Best Efficiency Initiative;
 - Best Public / Public Partnership Working Initiative – East Renfrewshire, East Dunbartonshire & Angus Councils (Partnership)
 - Best Service Team Building/ Facilities Cleaning – East Ayrshire Council
 - Best Service Team Street Cleansing & Streetscene - North Ayrshire Council
 - Overall Council of the Year in Service Delivery – Fife Council

People and Appointments:

77. George Black, Chief Executive of Glasgow City Council announced on 7 August 2014 his intention to retire at the end of the year. Subsequently, the post has been advertised (Herald, Scotsman, 12 September 2014).

78. On 1 September 2014, Colin Mackenzie, Chief Executive of Aberdeenshire Council announced his retirement. He will stay on until his replacement has been found. It was announced on 12 September 2014 that Aberdeenshire Council had agreed initial steps towards recruiting a replacement.
79. On 26 August 2014, Dundee City Council announced that David Martin, the current chief executive of Renfrewshire Council will replace David Dorward as its chief executive in December.
80. It was announced on 3 July 2014 that Bob Black, former Auditor General, will chair the newly launched [Fiscal Studies Scotland](#) which will succeed the Centre for Public Policy for Regions when it is discontinued.
81. On 8 July, Zero Waste Scotland announced that Vic Emery, Chair of the Scottish Police Authority (SPA), had been [appointed](#) as the first Chair. He is also President of the Glasgow Chamber of Commerce.

Police, Fire and Justice:

82. On 3 July 2014, Police Scotland published [Management Information Year End 2013/14](#) detailing crime figures for all 32 council areas as well as policing information for the 14 local policing divisions. The information is collated from policing management data systems and is not official recorded crime statistics, which will be published by Scottish Government later in 2014. More details, including the full report, are available on Police Scotland's [website](#).
83. On 31 July 2014, the Daily Mail published a letter from Fraser McKinlay, Director of Performance Audit and Best Value, Audit Scotland to its inaccurate [front page story](#) (30 July 2015). Its incorrect report stated that Audit Scotland was investigating the deployment of armed officers by Police Scotland.
84. Kenny MacAskill MSP, Cabinet Secretary for Justice, provided on 5 August 2014 a Statement on Policing to the Scottish Parliament on Policing. Full details are available on the Parliament's [website](#).

Scrutiny and Inspection Bodies

Her Majesty's inspectorate of Constabulary of Scotland (HMICS):

85. HMICS released on 30 July 2014 [Comments on Deployment of Armed Officers](#). The statement notes '*these arrangements are rightly an operational decision for the Chief Constable and the current guidance issued to all police forces across the United Kingdom is being followed correctly*'. HMICS will undertake an independent assurance role over the next quarterly review of the firearms standing authority. More details are available on HMICS [website](#).
86. The [HMICS Review of Legacy Inspection Recommendations](#) was published 21 July 2014. The review covers all outstanding recommendations from HMICS thematic inspections conducted since 2008 to ensure all relevant improvement activity has been captured and addressed by Police Scotland. It recommends that Police Scotland articulates and publishes details of the service that members of the public can expect to receive when contacting the police on non-emergency matters. More information is available on HMICS [website](#).

87. On 28 July 2014, HMICS published the report of its first thematic inspection of road policing in Scotland, [Thematic Inspection of Road Policing](#). Overall casualty rates decreased during 2013/14, however fatalities increased. It concludes that national leadership is strong but more work is required to understand the relationship between performance management and operational activity. More details are available on HMICS [website](#).
88. HMICS published its [new HMICS Inspection Framework](#) (1 September 2014). The [framework](#) is risk-based, proportionate and focusses on improving policing in Scotland. The new framework reflects Public Service Improvement Framework (PSIF) principles, the EFQM Excellence Model and Best Value characteristics, as underlined in a [joint statement](#) by the PSIF Partnership and HMICS. It has been adapted to provide an inspection framework to assist specifically in the inspection of elements of policing or the Scottish Police Authority. More details are available on HMICS [website](#).

Scottish Public Sector Ombudsman (SPSO):

89. SPSO published a briefing note on the [Scottish Welfare Fund – briefing note on developing a potential function for review of decisions](#). (July 2014). The [briefing note](#) reviews the Welfare Funds (Scotland) Bill. More information is available on the SPSO's [website](#).
90. The SPSO has published a [letter to the Welfare Reform Committee](#) (dated 28 August 2014) in response to the calls for evidence on the [Welfare Funds \(Scotland\) Bill](#) by the Scottish Parliament's Welfare Reform Committee. It also published a [letter to the Finance Committee](#) in response to the call for written evidence on the Financial Memorandum of the [Bill](#). More details of the responses to consultations and inquiries are available on SPSO's [website](#).
91. The SPSO's Annual Report 2013/14, [Transforming Scotland's Complaints Culture](#) was published 28 August 2014. The report reviews SPSO's performance, highlights general improvements in complaints handling, and identifies areas where there is scope for further improvement, e.g., making it easier for people to raise and pursue a complaint against a public service organisation. It is also available in online [interactive](#) format.
92. [SPSO News – August](#) was published 20 August 2014. The August newsletter summarises July case numbers, outlines Investigations Reports and highlights recent SPSO news and activities. More detailed intelligence from the SPSO was considered by the Financial Audit and Assurance Committee on 11 September 2014.

Commissioner for Ethical Standards in Public Life in Scotland:

93. During the period January to June 2014, the Commissioner published decisions on 35 complaints, of which three were deemed to be breaches. In cases where the Commissioner has decided that a breach has occurred, he refers these cases to the [Standards Commission for Scotland](#) to investigate. No breach was determined in 10 cases and 22 were not pursued. There were no complaints outwith jurisdiction or withdrawn. More detailed intelligence in this regard was considered by the Financial Audit and Assurance Committee on 11 September 2014.

Standards Commission for Scotland:

94. During January to June 2014, the [Standards Commission](#) concluded five investigations relating to complaints against councillors (referred from [Commissioner](#)). Of these, four

were decided to have constituted breaches and the one decision has not yet been published. More detailed intelligence in this regard was considered by the Financial Audit and Assurance Committee on 11 September 2014.

Other UK Audit Bodies

National Audit Office:

95. [Local government funding: Assurance to Parliament](#) was published on 25 June 2014. The report concludes that the Department for Communities and Local Government has increased the flexibility of English local authorities over their funding, but as a result has less information on how funds are being spent. More details, including the full report, are available on NAO's [website](#).
96. On 26 June 2014, the NAO published [Department for Work and Pensions 2012-13 accounts](#). This report finds that the DWP has not yet achieved value for money in the development of Universal Credit and it will need to learn from past failures to do so in future. More details, including the full report, are available on NAO's [website](#).
97. NAO published its report on [The 2013-14 savings reported by the Efficiency and Reform Group](#) on 16 July 2014. The report concludes that the Efficiency and Reform Group (ERG) has achieved significant savings but further work should be done to improve gathering and collating evidence. More details, including the full report, are available on NAO's [website](#).
98. On 4 September 2014, [Transforming government's contract management](#) and [Transforming contract management](#) were published. The reports relate to the government's management of contracts and cover the Cabinet Office, Home Office and Ministry of Justice respectively. Following the previous discovery of significant weaknesses in the management of contracts (July 2013), the government is starting to improve its systems and procedures. More details, including the full reports, are available on NAO's [website](#).
99. [Funding healthcare: Making allocations to local areas](#) (published 11 September 2014) is the NAO's first report on NHS funding in England since the 2013 health reforms took effect. It concludes that prioritising the financial stability of local health economies has resulted in the Department of Health and NHS England making very slow progress towards allocating local commissioners of healthcare their fair share of funding. More details, including the full reports, are available on NAO's [website](#).

Westminster

Public Accounts Committee:

100. The Committee published on 15 July 2014 its report into debt owed to central government, [Managing debt owed to central government Seventh Report of session 2014-15](#). As at end of March 2013, the debt owed was estimated at £22 billion. The report criticises the lack of a central strategy to manage debt and makes a number of recommendations. More information is available on the Committee's [website](#).
101. The Committee's Ninth Report of Session 2014-15 was published on 1 August 2014. The report presents the findings of its investigation into [Whistleblowing](#) in the public sector. It found evidence that departments have not taken adequate measures to protect whistleblowers from being victimised. More details are available on the Committee's [website](#).

102. On 12 September 2014, the Committee published the report, [Local government funding: assurance to Parliament](#). The report found no convincing evidence that members of the public are being empowered effectively to hold councils in England to account for local authority funding. New arrangements for local government audit and the potential for political party control of scrutiny arrangements also risk undermining accountability. More details of the Committee's inquiry, including the full report are available on the committee's [webpage](#).

Business, Innovation and Skills Committee:

103. On 11 July 2014, the Committee published a report on [Royal Mail Privatisation](#), indicating that shares and assets were undervalued which make achieving value-for-money unlikely. More information is available on the Committee's [website](#).

Information and Intelligence

104. The [31st British Social Attitudes Survey \(BSA\)](#) was published 17 June 2014. The annual 31st BSA survey report includes questions on democracy, Scotland, the Independence Referendum, national identity, immigration and benefits. New questions are added each year to reflect current issues, but all questions are capable of repeating to allow change over time to be measured. More details of the survey findings, including the full report and breakdowns by topic, are available on the [BSA microsite](#).
105. On 30 June 2014, CIPFA published [The Scottish Referendum: Scotland's future in the balance](#). This paper addresses Scotland's current devolved financial position; the likely impact of constitutional change; and the likely financial sustainability of an independent Scotland. More details, including the full report, are available on CIPFA's [website](#).
106. A briefing by pressure group Reform Scotland, [Quango salaries briefing: July 2014](#) (published 14 July 2014) presents findings of recent research on the salaries of all 'quango' staff. It notes that 43 quango officials earn more than the First Minister. There is a reference to the Accounts Commission (Table 2: Quango salaries). The briefing is based on information obtained through Freedom of Information requests. More information is available on the group's [website](#).
107. The briefing, [Working at the Edge: Zero Hours Contracts](#) was published by Citizens Advice Scotland (23 July 2014): This CAS briefing examines the increasing use of zero hours contracts and the impact of the lack of guaranteed working hours on income, and is the first report in a series on work-related poverty. It makes a number of recommendations including the use the Small Business, Enterprise and Employment Bill to protect workers from misuse of zero hours contracts. More information is available on the CAS [website](#).
108. [Scotland's Decision](#) (published August 2014), was produced jointly by David Hume Institute (DHI), ESRC Future of the UK and Scotland programme, and the Hunter Foundation. It discusses sixteen questions, central to the referendum debate, and sets out answers to them from impartial experts. More information is available on the DHI [website](#).
109. Holyrood Magazine's inaugural [Scottish Public Service Awards](#) will be held on 12 December 2014 at the Scottish Parliament. Nominations for the [awards](#), which celebrate excellence across Scotland's public service, close on 30 September 2014.

More details of the [Awards](#) and accompanying [Leadership Summit](#) are available on Holyrood's [website](#).

Conclusion

110. The Commission is invited to consider and note this report.

Paul Reilly
Secretary to the Accounts Commission
17 September 2014

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

COVER NOTE BY SECRETARY TO THE COMMISSION

WEST LOTHIAN COMMUNITY PLANNING PARTENRSHIP

Purpose

1. The purpose of this report is to introduce for the Commission's consideration the report of the audit of West Lothian Community Planning Partnership. The report is by the Controller of Audit and the Auditor General for Scotland.

Background

2. In 2011, the Cabinet Secretary for Finance, Employment and Sustainability, John Swinney, asked the Accounts Commission to prepare an outline case of how external audit and inspection might support the delivery of better outcomes by Community Planning Partnerships (CPPs).
3. At its meeting on 17 May 2012, the Commission endorsed a proposed approach to the audit of community planning. On 29 June 2012, this approach was shared with the Cabinet Secretary. Subsequent feedback from Scottish Government officials and the minister's office on the proposals was positive.
4. Aberdeen City, North Ayrshire, and the Scottish Borders community planning partnerships agreed to participate in three early audits to be done by the Commission and the Auditor General for Scotland. These audits took place during 2012. At its meeting on 14 February 2013, the Commission agreed to make findings on the reports in conjunction with the Auditor General. The reports were published on 20 March 2013.
5. At the same time a national overview report was published which drew on the common messages emerging from these three reports together with Audit Scotland's insights and conclusions drawn from its previous Best Value audit work in local government, police and fire, previous performance audits on partnership working (e.g. Community Health and Care Partnerships) and earlier national reports on community planning.
6. At its meeting on July 2013, the Commission considered the report of an independent evaluation of the three CPP audits. At its subsequent meeting on 22 August 2013, the Commission agreed its response to the evaluation. At its meeting on 12 September 2013, the Commission endorsed a proposed CPP audit programme for 2013/14. The programme consists of five audits of community planning partnerships, namely:
 - Falkirk
 - Glasgow
 - Moray
 - Orkney
 - West Lothian

There will also be a national report to accompany the publication of the five reports.

7. Three reports have now been published: Glasgow on 30 April, Falkirk on 29 May, and Moray on 10 July. This fourth report for West Lothian is submitted to the Commission today for its consideration.

The report

8. The report is made under section 102(1)(a) of the Local Government (Scotland) Act 1973 (as amended by various subsequent pieces of legislation including the Local Government in Scotland Act 2003).
9. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - a) the accounts of local authorities audited under the Act;
 - b) any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - c) the performance by a local authority of their statutory duties in relation to best value and community planning.
10. The report is made jointly with the Auditor General for Scotland, who makes the report under Section 23 of the Public Finance and Accountability (Scotland) Act 2000.

Consideration of the report

11. The Controller of Audit and members of the audit team from Audit Scotland will be present at the Commission meeting to answer questions.
12. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - a) direct the Controller of Audit to carry out further investigations;
 - b) hold a hearing;
 - c) state its findings.
13. If the Commission considers that it requires further information to proceed with its consideration of the report, it may direct the Controller of Audit to carry out further investigations. If the Commission is satisfied with the information which it has, it may wish to proceed to make findings unless members consider that a hearing is necessary. If the Commission chooses to reach findings, then the report will be published jointly between the Commission and the Auditor General.
14. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.

Conclusion

15. The Commission is invited to:
 - consider the report by the Controller of Audit and the Auditor General on the audit of West Lothian Community Planning Partnership; and
 - decide how it wishes to proceed.

Paul Reilly
Secretary to the Accounts Commission
17 September 2014

West Lothian Community Planning Partnership



Prepared for the Accounts Commission and the Auditor General for Scotland
September 2014

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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Commission findings

Key messages

- There is a long-standing and strong tradition of partnership working in West Lothian. Relationships between partners are good and joint working is an integral part of day-to-day activities. This has resulted in many examples of innovative and effective approaches to delivering joined-up services and improving outcomes for local communities. The community planning partnership (CPP) has made good progress in improving outcomes relating to the economy, community safety and aspects of health and wellbeing.
- The CPP has agreed an ambitious vision for West Lothian. The culture and maturity of partnership working provides a strong basis for the CPP to move forward and meet the challenges ahead. The CPP is effective at promoting and facilitating partnership working but collectively the CPP board could provide stronger strategic direction and scrutiny.
- The CPP's governance is complex, particularly in the context of council and external partners' own governance arrangements. This can make accountability less clear, particularly for how partners collectively hold each other to account for delivering their contributions to the Single Outcome Agreement (SOA).
- The CPP is still at an early stage of understanding how it can use the financial and other resources available to it most effectively to achieve the SOA outcomes. It is important that the CPP identifies further opportunities for joint resourcing as the pressure continues on partners' budgets.
- Partners have continued to invest in partnership centres to deliver co-located services and these have improved how partners work together to meet the needs of local communities. There is scope for the CPP to integrate local planning and service delivery more closely with the SOA. The CPP's work on local regeneration will be an important part of this.
- Partners are well placed to implement public sector reform. Good progress has already been made in integrating significant aspects of health and social care. The CPP board should strengthen its oversight of these reforms and consider the risks and opportunities they present to achieving the SOA outcomes.
- The CPP has good performance information. It needs to use this more effectively to identify the priority issues it needs to act on, in particular at a neighbourhood level. It should also explore how it can use this information to show the difference CPP activities are making in improving outcomes for local communities and reducing the gap between its most and least deprived areas.
- The council takes an appropriate role in effectively administering the CPP and providing clear leadership. The CPP is committed to improvement and has a comprehensive improvement plan that addresses many of the areas set out in the Statement of Ambition.

- **At the time of the audit the CPP was going through a period of significant change. It had renewed its SOA, taken steps to improve its performance management, revised its governance arrangements and developed its use of performance information through its strategic assessment. It will need to raise its game further if it is going to make significant improvements in how it manages resources, reduces the inequalities gap and involves communities in planning and delivering services in their areas.**

Background

West Lothian

1. West Lothian is located between Glasgow and Edinburgh in Scotland's central belt and benefits from major rail and road links from its main towns. It is a medium-sized local authority area covering 165 square miles, of which two-thirds are mainly agricultural. The main centres of population are Livingston, Bathgate and Linlithgow.
2. The population is around 176,000 with a projected increase between 2012 and 2037 of 11.7 per cent; the tenth highest rate of population growth in Scotland's 32 local authority areas. It has a higher percentage of under 15s than Scotland as a whole (20 per cent compared to 17 per cent). The percentage of people over 75, currently just under six per cent, is projected to more than double over the next 20 years. However, the proportion of older people is expected to remain below the national average. The growing population places demands on services such as housing, education and older people's care but also provides opportunities for economic growth.
3. West Lothian compares favourably with Scotland as a whole in areas such as employment, crime and education ([Exhibit 1](#)). Its relative levels of deprivation are lower than for Scotland as a whole. There is room for greater progress in the areas of youth unemployment and aspects of health and wellbeing. The 'How is West Lothian is performing' section (page 32) gives more information on progress with outcomes in West Lothian.¹

¹ In this report, 'indicators' refer to the performance measures which the CPP has chosen to monitor progress, and 'outcomes' refer to the level of performance of these measures.

Exhibit 1**The West Lothian context**

West Lothian compares favourably to the rest of Scotland for some indicators (✓) and less favourably for others (x).

	West Lothian	Scotland	
Life expectancy (men)	77.1	76.6	✓
Life expectancy (women)	80.1	80.8	x
Percentage of children living in poverty	17.1%	18.5%	✓
Employment rate	73.6%	70.7%	✓
Positive follow-up destinations for school leavers	88.2%	90%	x
Number of recorded crimes per 10,000 population	459	520	✓

Note: Positive destinations include employment, further or higher education, taking part in a national training programme or volunteering.

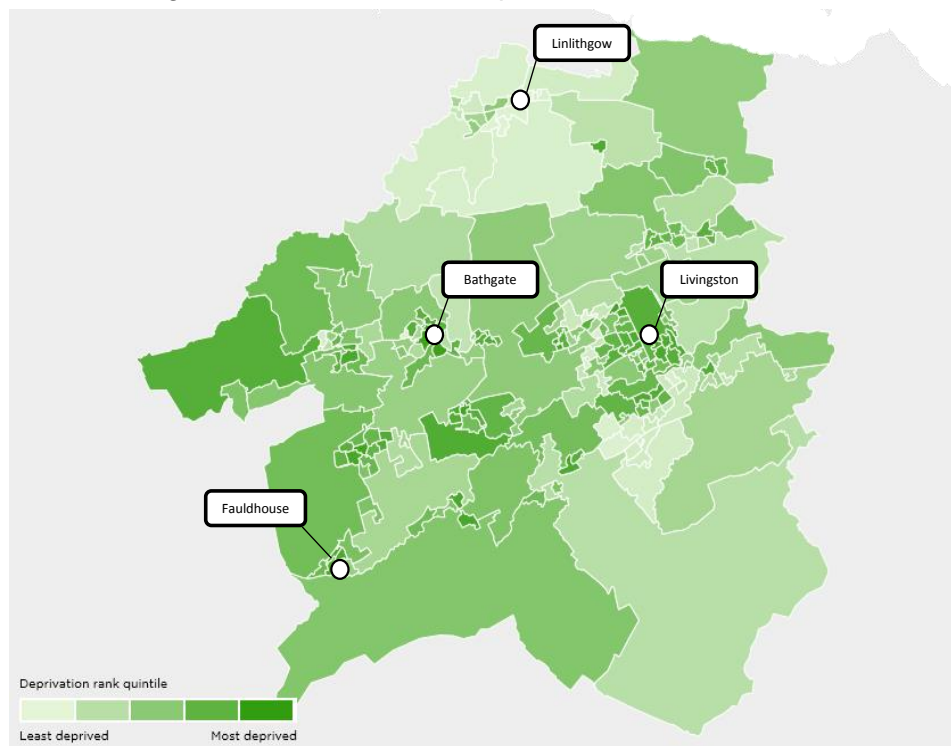
Source: General Register Office for Scotland, Scottish Neighbourhood Statistics, HM Revenue and Customs

4. West Lothian's economy has changed significantly over the last 15-20 years moving from traditional manufacturing to high technology and research and development. Major job losses in electronics manufacturing around 2000 have been offset in recent years by growth in the retail and service sectors. Diversification remains an important local economic development theme.
5. Average earnings are below the national average, but unemployment is relatively low at three per cent compared to the Scottish average of 3.4 per cent. The percentage of working age people claiming key benefits, such as job seekers allowance and other income related benefits, is slightly below the Scottish average of 16 per cent. However there are significant differences in outcomes between West Lothian's least and most deprived areas ([Exhibit 2](#)).

Exhibit 2

Deprivation levels across the West Lothian area

There are significant differences in deprivation levels across West Lothian.



Source: *Scottish Index of Multiple Deprivation 2012*

Community planning and public sector reform

6. Community planning partnerships (CPPs) exist in all 32 local authority areas in Scotland to coordinate and improve how local public services are planned and delivered. They bring together a range of public, private and voluntary organisations, which work together to improve outcomes, such as raising life expectancy and reducing crime and inequalities for local people. The statutory basis for community planning was set out in the Local Government in Scotland Act 2003. However the council and partners in West Lothian have been actively involved in community planning since 1999.
7. Following the Christie Commission report in 2011, the Scottish Government reviewed community planning.² In 2012, the Scottish Government and COSLA set out their expectations for community planning in the Statement of Ambition.³ Their expectation was that CPPs would become the main focus for improving public services at a local level.
8. A number of ongoing changes in how public services are delivered affect the role of CPPs including:
 - Scotland's new national police and fire and rescue services

² *Commission on the Future Delivery of Public Services*, Dr Campbell Christie (Chair), June 2011.

³ *Statement of Ambition for Community Planning*, Scottish Government and COSLA, March 2012.

- the integration of adult health and social care services
- welfare reform
- the reform of colleges
- the introduction of the Children and Young People (Scotland) Act 2014
- the Scottish Government's announcement to abolish community justice authorities.⁴

About the audit

9. In 2012, the Scottish Government asked the Accounts Commission to lead audits of individual CPPs to assess their performance. During 2012/13, Audit Scotland reviewed three CPPs.⁵ Our audit of the West Lothian CPP is one of five audits we are conducting during 2013/14.⁶ We carried out the audit shortly after West Lothian agreed its priorities for community planning for the ten-year period from 2013 to 2023.
10. This is a joint report prepared by the Controller of Audit and the Auditor General for Scotland under section 102(1)(c) of the Local Government (Scotland) Act 1973 (as amended) and Section 23 of the Public Finance and Accountability (Scotland) Act 2000 respectively.
11. The objectives of our audit were to assess the following:
 - To what extent has West Lothian CPP set a clear strategic direction, agreed by all partners, that reflects West Lothian's needs?
 - Are West Lothian CPP's governance and accountability arrangements appropriate and do they allow it to improve outcomes for local people?
 - How effectively is West Lothian CPP encouraging collaborative behaviour among staff and using its resources, including money, staff and property, to deliver joint priorities and outcomes?
 - How well is West Lothian CPP delivering the outcomes contained in its Single Outcome Agreement (SOA)?⁷
12. Appendix 1 outlines our approach to the audit. As part of the audit, we reviewed in detail three themes particularly relevant to West Lothian to assess how effectively the CPP is taking a lead on improving outcomes. These were:
 - employability as part of its economic development activity
 - reducing re-offending as part of how it manages offenders

⁴ The Children and Young People (Scotland) Act 2014 covers a wide range of children's services policy, including: children's rights; Getting It Right For Every Child programme; early learning and childcare; and looked-after children. The bill received Royal Assent in March 2014.

⁵ Aberdeen City CPP, North Ayrshire CPP, Scottish Borders CPP

⁶ The five CPP audits are Falkirk, Glasgow City, Moray, Orkney Islands and West Lothian. Audit Scotland has previously published three national reports on community planning; *Improving community planning in Scotland*, March 2013; *The role of community planning partnerships in economic development*, November 2011; and *Community planning: an initial review*, June 2006.

⁷ A Single Outcome Agreement is a document setting out local priorities for a council area as agreed by the community planning partners and the Scottish Government.

- local partnership working in the two contrasting local areas of Fauldhouse and Linlithgow.
13. This is primarily an audit of the West Lothian CPP, rather than a review of how effectively local partners are working together. We focused on:
- the structures, planning and activities agreed by the CPP to meet the expectations in the Statement of Ambition
 - how the CPP contributes to improving the outcomes for people living in the area.
14. We appreciate that at the time of the audit, the CPP partners were in a period of significant change. We are grateful to everyone who contributed to our work including all the community planning partners we spoke to and the council representatives who helped us with our audit work.

What is the CPP aiming to do?

Key messages

- The CPP has agreed an ambitious and wide-ranging vision described in its Single Outcome Agreement (SOA). This was based on a detailed assessment and analysis of contextual data for West Lothian and is supported by a number of strategies and plans designed to achieve the agreed outcomes.
- The CPP has a well-established performance management system. It recognises it needs to improve its understanding of the data and issues at a local neighbourhood level, in particular around the differences in outcomes in some communities. It has plans in place to do this.
- The CPP should improve the way it reports publicly on its performance across its SOA priorities and targets.

CPP partners worked well together and made good use of information to develop a joint vision for West Lothian

15. The CPP's 2013-2023 SOA mirrors the long-term vision set out in the West Lothian community plan 'Toward 2020'. The SOA outcomes closely align with the priorities set out in the Scottish Government's National Review of Community Planning. They focus on areas including children and young people, the economy and employment, older people, and health and wellbeing ([Exhibit 3](#)).
16. CPP partners were well engaged in developing the SOA priorities. This included a development day attended by 80 representatives from all partner organisations and other stakeholder groups, and a series of eight workshops.
17. Prevention is a central theme of public sector reform. Prevention is where potential problems are identified and action is taken to intervene at an early stage to prevent them from happening or resulting in worse outcomes. Prevention and early intervention are prominent in the SOA through references to the CPP's Prevention Plan and Anti-Poverty Strategy. The *Statement of Ambition* also emphasises inequalities as a significant issue. Partners have recognised the marked differences in outcomes across West Lothian's communities and the SOA includes 'tackling inequality' as a core theme.

Exhibit 3

West Lothian CPP priorities

The local priorities in West Lothian's SOA reflect national priorities.

National Policy Priority	West Lothian Priority	West Lothian Outcomes	National Outcome
Early years	Maternal & Child Health	Our children have the best start in life and are ready to succeed	5
Employment	Adult Literacy & Numeracy Raising Attainment Financial Stability and security for our communities	We are better educated and have access to increased and better quality learning and employment opportunities	2,3,4
Economic recovery & growth	Diversify West Lothian's economy	Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business	1,3
Safer & stronger communities, and reducing offending	Building Strong Communities	We live in resilient, cohesive and safe communities	9,11,13
	Protecting People at risk	People most at risk are protected and supported to achieve improved life chances	8
Outcomes for older people	Older People	Older people are able to live independently in the community with an improved quality of life	15
Health inequalities & physical activity	Health Life expectancy & Physical & Mental Wellbeing	We live longer, healthier lives and have reduced health inequalities.	6
	Waste Education - Greener	We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.	12,14

Source: West Lothian CPP: Achieving Positive Outcomes, Single Outcome Agreement 2013-2023

18. The partnership carried out a strategic assessment of the West Lothian area to develop the priorities in the SOA 2013-2023 (Case study 1). This used a wide range of data from different partners to identify the main issues facing West Lothian as a whole, but it provided limited data specific to local areas within it. The CPP recognises this as an important area to develop. In February 2014 it recruited an analyst to develop its use of locality data to understand local issues.
19. The CPP consulted the public in innovative ways on its community planning priorities. The partners contacted local communities and interest groups across West Lothian to capture their views and aspirations. Over 900 people took part in this process. Community artists and visioning techniques were used to inform the vision for the 2010-2020 community plan. The CPP used the National Standards for Community Engagement as the framework for monitoring and evaluating the engagement activity.

Case study 1

The West Lothian strategic assessment

In 2012 the CPP undertook a strategic assessment to help identify the priorities for its new SOA. Partners gathered and shared data on social, economic, environmental health and community safety indicators for the West Lothian CPP area. The Scottish Government provided training as part of this process. The strategic assessment provided a comprehensive range of indicators and measures and incorporated the Citizen Panel 2010 quality of life survey findings. The voluntary sector also undertook a public consultation exercise to engage with communities over the SOA. The CPP held a priority-setting day in September 2012. Partners used the strategic assessment and wider consultation feedback to decide the 2013-2023 SOA priorities for West Lothian. Representatives from all partners attended the event including West Lothian College, the police, the fire and rescue service, the Community Health Care Partnership (CHCP), local third sector organisations and a wide range of council services.

Source: Audit Scotland using information from West Lothian CPP

The CPP has simplified its approach to the SOA planning process

20. The CPP has combined its community plan and SOA into the current 2013-2023 SOA which now sets out a longer-term vision. It has also reduced the number of outcome priorities from 15 in its previous SOA, to eight in the current SOA. This has helped improve its focus and reduce areas of overlap.
21. However, the SOA still covers a wide range of activity. The eight priority outcomes are supported by about 120 associated performance indicators and over 30 strategies and plans such as the economic strategy and the reducing reoffending strategy.
22. There are differing views about whether the CPP should prioritise its work further to deal with the main strategic issues facing West Lothian. Some partners consider that the priorities are all interlinked and equally important to West Lothian. So, for example, better health can lead to more employment opportunities which in turn can reduce crime and anti-social behaviour. Other partners consider that employment, particularly for young people, should be the main priority.
23. The CPP has chosen to take a more broad-based approach in its SOA, rather than focus on a small number of specific priorities. With this approach, the CPP board must ensure it is effectively overseeing the wide range of work being done and is clear about how different strategies are contributing to achieving the agreed outcomes. The CPP should consider developing a risk register to help the board identify and manage the risks associated with delivering the SOA.
24. While the CPP wants to tackle the broad social and economic issues within West Lothian, partners also need to prioritise how they use their increasingly limited resources. The CPP anticipates that the work of the Resource Aligning Group (RAG) will help the CPP to meet this strategic challenge. But it is also important that it understands how specific activities delivered through SOA's supporting strategies have contributed to improvements.

25. The CPP should also clarify how it plans to prioritise the available resources and partner activities towards reducing the gap in outcomes between the most and least deprived communities in West Lothian. This is a long-term objective for the CPP and is reflected in several strategies underpinning the SOA. As yet there is limited information on the specific approaches the CPP plans to use to address this issue.

The CPP has good performance information but could improve how it reports progress

26. The CPP has a strong and long-standing focus on performance. Partners jointly use an electronic performance management system to share performance information. Performance indicators give a broad overview of progress for each outcome. Most of these include baseline measures, short-term (one year), medium (three year) and long-term (ten year) targets.
27. Each indicator in the SOA has an indicator owner who is responsible for updating the performance management system and highlighting changes. Each SOA outcome is assigned to a thematic forum and lead officers report progress to the CPP steering group.
28. The CPP scrutinises a wide range of performance information. The steering group is the main forum where performance data is scrutinised. While there is a wealth of good performance data, performance reporting can be lengthy and over-complicated. Groups may receive several performance reports, sometimes with different breakdowns of the same information. Until recently, performance reports did not routinely highlight specific areas of concern or identify where strategic discussion might be required to address a particular issue.
29. The CPP acknowledges this and has started to improve and simplify its performance reporting. In April 2014 it introduced exception reporting, identifying performance highlights or where things are not going as planned. The CPP steering group also introduced a cycle of dedicated meetings to examine each of the four CPP theme areas in depth.
30. The CPP uses the council's widely circulated Bulletin newsletter to tell the public about partnership activities, such as its health and wellbeing initiatives. The CPP needs to improve how it reports publicly on its performance across all of its SOA priorities. The CPP's annual progress reports tend to focus on areas that are performing well, and do not give an objective account of performance across all of the SOA outcomes.

Recommendations

The CPP should

- **improve its understanding of the risks associated with delivering the SOA**
- **clarify what it plans to do to reduce inequalities and meet the needs of local communities**
- **improve its public reporting of progress against all the SOA outcomes.**

How well is the CPP run?

Key messages

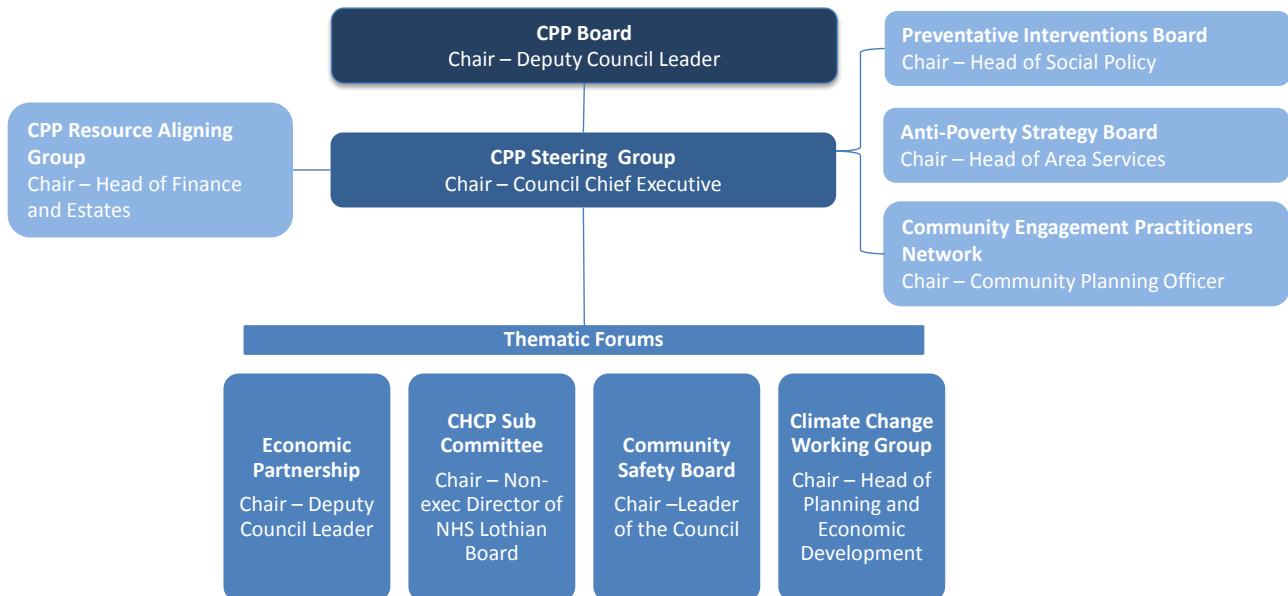
- The council leads and administers the CPP effectively, but collectively CPP partners do not provide strong strategic direction or scrutiny.
- The CPP's governance is complex, making accountability for partners' contributions to the SOA less clear.
- The CPP has evolved and has a well-established improvement process that is consistent with the Statement of Ambition.
- Partners have well-developed arrangements for integrating health and social care services. The CPP board needs to increase its oversight of these and other areas of public sector reform.

The CPP's governance arrangements are complex

31. West Lothian CPP was established in 1999 and includes fifteen partner organisations: West Lothian Council, NHS Lothian, Police Scotland, Scottish Fire and Rescue Service, Voluntary Sector Gateway West Lothian, West Lothian College, SRUC Oatridge Campus, West Lothian Chamber of Commerce, Scottish Water, Association of Community Councils, Department of Work and Pensions (DWP), West Lothian Leisure, West Lothian Youth Congress, Skills Development Scotland and the South East of Scotland Transport Partnership (SEStran).
32. The CPP has a wide and inclusive membership, which it keeps under review. It needs to build stronger relationships with the voluntary sector and is aware of this. It is currently working with the Scottish Government and Improvement Service to improve relationships as part of a Getting it right for every child (GIRFEC) project. It is also looking at how it can increase involvement of other third sector organisations, such as housing partnerships and social enterprises, in the partnership. The CPP invites additional partners to meetings when it is appropriate, for example, representatives from major manufacturing companies.
33. The CPP board has senior representatives from all partner agencies. It meets four times a year, and is chaired by the Deputy Leader of the Council. Its remit is to provide the strategic leadership for the partnership. The CPP Steering Group also meets quarterly and progresses the work of the board. The CPP has a number of thematic and cross-cutting groups that are responsible for delivering different parts of the SOA ([Exhibit 4](#)). Under these broad theme groups, a number of sub-groups cover some more specific policy or service areas.

Exhibit 4**West Lothian CPP governance structure**

The Board oversees the CPP's work with the support of the Steering Group, Thematic Forums and Strategic Boards



Source: West Lothian CPP

34. The CPP has reviewed the partnership agreement and revised its roles and remits. These were agreed in February 2014. However, the nature of community planning means that structures and accountability remain complex. The wider context of the council and partners' own governance arrangements and other multi-agency groups with a West Lothian focus further complicates the picture. For example community safety performance information is reported to both the council's committee responsible for monitoring police services and to the CPP's community safety board. Similarly the CHCP sub-committee reports to the CPP board, the CHCP Board, and NHS Lothian.
35. Some partners we spoke to were not always clear about the roles of the various groups in the CPP. Examples included the respective roles of the strategic boards and thematic forums, or how these related to other groups they sat on. There is a risk that the high numbers of groups could lead to activity being duplicated or some issues being neglected.
36. Given this range of reporting and the number of different groups charged with governance and accountability, it is important that the council and its community planning partners are clear on;
- the role of the various CPP groups in setting or influencing the strategic direction of the SOA, and
 - how the work of these groups is integrated into their own planning and scrutiny arrangements.

This will help to ensure that the activities of these different groups are complementary and avoid possible duplication. It will also help the CPP focus on challenging partners about how they are contributing to delivering the SOA as opposed to other aspects of performance.

37. The Statement of Ambition identifies the important role for local elected members in CPPs. Councillors are well represented throughout the CPP, particularly on the board which has five councillors. This includes the deputy leader of the council, who chairs the board.
38. Partners described relationships in the CPP as mature with differences being discussed and worked around constructively. Councillors contribute to debates, provide scrutiny, particularly at local and thematic group level, and are able to focus on CPP-wide issues. The CPP provides training to councillors, for example by organising development sessions on the new SOA and on health and social care integration. Specific training needs are identified in councillors' personal development plans.

West Lothian Council leads and supports the CPP effectively, but partners need to take more collective ownership of the SOA

39. The council runs and facilitates the CPP effectively and appropriate to its role: the deputy leader chairs the CPP board; the council chief executive chairs the steering group; and mainly council officers or councillors chair the various thematic forums ([Exhibit 4](#)). The CPP is supported effectively by a small council-based community planning team, located within the chief executive's office.
40. The Statement of Ambition emphasises that CPPs should operate as genuine boards that hold partners to account for delivering the SOA. The CPP works well in bringing partners together, sharing knowledge, and making new ways of working possible. The CPP board does not, however, provide strong leadership or strategic direction for how the CPP partners should best direct their resources. Similarly, it does not effectively scrutinise or challenge partners' contributions to delivering the SOA or progress against targets.
41. CPP board meetings have long agendas and allow little time for discussion or for scrutinising performance. Agenda items are mostly for noting rather than for decision-taking. Some partners would welcome a stronger focus on actions where partnership working can deliver most benefit. The CPP recognises this and is reviewing its CPP board meetings to make them more engaging.
42. The council encourages partners to take part in the various CPP groups. Some partners commented that their ability to attend CPP meetings can be limited, especially with the number of multi-agency groups working in the area. Despite these constraints, the CPP should consider how to encourage greater collective ownership for delivering the SOA. For example it could consider involving a wider range of partners in chairing CPP groups and sub-groups as well as leading on particular projects.
43. Partners have started using the CPP board to consult over their strategic plans, for example, the NHS clinical strategy. This is a positive development and allows partners to raise issues such as the importance of transport and accessibility to healthcare.

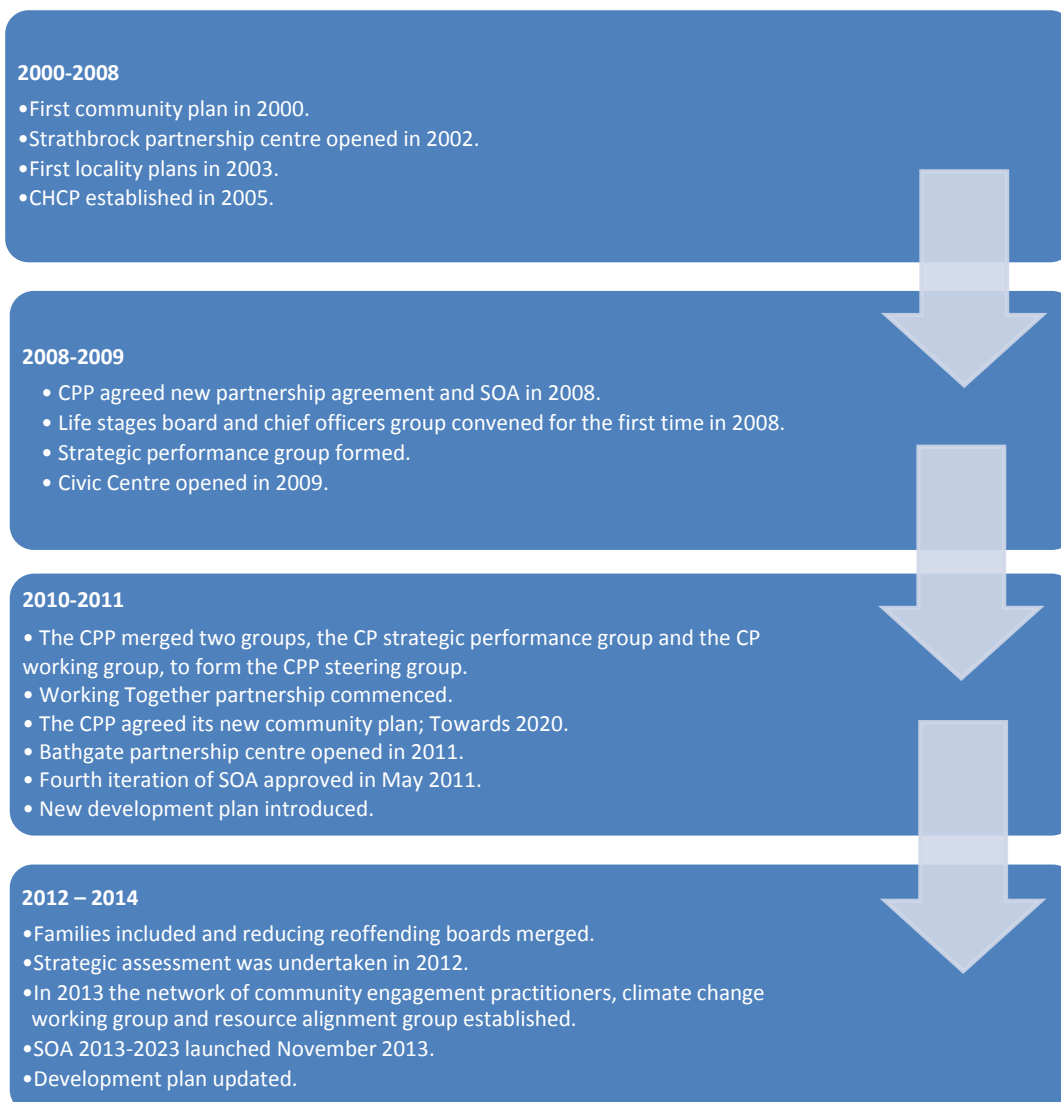
The CPP has clear plans in place to meet the changing expectations for community planning

44. The CPP has been proactive in reviewing and adapting its structures and activities ([Exhibit 5](#)). It has a development plan ([Exhibit 6](#)) to strengthen the partnership's capacity to deliver the outcomes set out in the SOA. The CPP agreed this in 2011 and updates it regularly through events including a self-assessment exercise using a framework developed by the Improvement Service. Progress against the plan is discussed at the CPP board.

Exhibit 5

Timeline of West Lothian CPP

Work carried out by the CPP since 2000 to review and adapt its structures and activities.



Source: Audit Scotland with information supplied by West Lothian CPP

45. The CPP's development plan is wide-ranging and covers aspects of the CPP structure, processes and behaviours. The areas covered in the plan are consistent with the Scottish Government's programme of reforms and the Statement of Ambition.

Exhibit 6

Development plan activity

The development work the CPP is doing to deliver the SOA.

Activity	Progress
Strengthen links between Community Planning and Regeneration	<ul style="list-style-type: none"> • Regeneration Strategy approved February 2014. • Review to improve the effectiveness of Local Area Committees, June 2014.
Expanding Strategic Assessment down to local level	<ul style="list-style-type: none"> • CPP analyst recruited to develop West Lothian profiles. • Corporate GIS system in place to make better use of data and information.
Governance structure, accountability and membership review	<ul style="list-style-type: none"> • Partnership self-assessment discussed at the special board meeting in June 2013. • Terms of Reference approved in February 2014 and CPP membership reviewed. • Working group in place to take forward Public Service Collaborative Learning initiative.
Prevention	<ul style="list-style-type: none"> • Prevention Plan in place to report to the Preventative Interventions Board and CPP steering group. • Early Years Collaborative activity ongoing.
Community Engagement	<ul style="list-style-type: none"> • Community Engagement Plan and Community Engagement Practitioner’s Network in place. • Citizens’ Panel review and new Quality of Life survey completed in May 2014. • Partnership Communication Plan approved in June 2013.
Equalities	<ul style="list-style-type: none"> • Conferences for equality forum members held in November 2013 and June 2014. Equalities training and forum induction pack developed.

Source: Audit Scotland with information supplied by West Lothian CPP

Partners are well placed to deliver public sector reform, but the board needs to strengthen its oversight

46. The Statement of Ambition states that effective community planning will be at the core of public service reform. These reforms are leading to major changes to the way public services are delivered, including, integrating adult health and social care, prevention and early intervention, welfare reform and establishing single police and fire services.

47. The maturity of partnership working in West Lothian means that the CPP is well placed to deliver the aspirations for communities that public service reform is intended to achieve.

Health and social care integration

48. The CHCP has a single joint director for health and social care, and already has closely integrated management and working practices in place for many of its operational teams. These include delayed discharges, crisis care, mental health and the alcohol and drug partnership. The existing arrangements and strong relationships between partners are a good foundation for further integration within these services.
49. West Lothian CPP is in the final stages of considering how it will deliver integrated health and social care services. The CHCP board and sub-committee together provide the role of shadow board. In common with some other CPPs, partners have yet to define the role and remit of the CPP board in relation to the new arrangements. The CPP board has not had an active role in this, with limited evidence of discussions at the CPP board meetings. The CPP board should strengthen its oversight and understanding of how the new arrangements will impact on delivering the SOA, including associated risks and opportunities.

Prevention

50. Prevention and early intervention are a strong feature of many partnership initiatives. The CPP has agreed a comprehensive ten-year prevention plan (2013-2023). This identifies 68 existing prevention projects in the national priority areas and identifies a number of broad areas to focus on going forward, such as reducing reoffending and tackling young people drinking alcohol. It refers to around £11.7 million already allocated to preventative programmes through change funds. Progress against the prevention plan is recorded in the CPP's performance management system and reported through the Preventative Interventions Board to the CPP.
51. The plan does not yet clearly explain how prevention will be integrated into the other work of the CPP. For example it does not outline the respective roles of the thematic groups and the anti-poverty strategy board in implementing the prevention plan or identify how the broad range of activities will be prioritised.

Welfare reform

52. Welfare reform is a further significant piece of legislation that CPPs need to plan for. The CPP has been proactive in taking measures to respond to this. Its anti-poverty strategy sets out a range of measures to alleviate poverty, including a workstream to manage the impact of welfare reform. The strategy covers all aspects of poverty and includes activities to maximise income, help people become more employable, prevent homelessness, promote healthy lifestyles, improve access to affordable food options, education, and digital inclusion.

Police and fire reform

53. Operational working arrangements have been maintained between the CPP and Police Scotland and the Scottish Fire and Rescue Service (SFRS). Partners have not identified any

significant issues. The CPP has considered local fire and police plans for West Lothian and these are consistent with the SOA. It should ensure that it monitors the new arrangements for police and fire and rescue services to identify any risks or issues relating to delivery of the SOA.

Recommendations

The CPP board should:

- **give stronger direction on how partners should target the resources and activities needed to deliver the SOA**
- **ensure it holds partners to account for the contribution they make to the SOA**
- **increase its oversight of public sector reform, identifying associated opportunities and risks to delivering the SOA.**

How well do partners work together and share resources?

Key messages

- Partners in West Lothian have a strong and long-standing culture of partnership working and there are many examples of innovative and effective joint practice, including a number of partnership centres.
- The CPP promotes good relations among partners and facilitates partnership working, but it needs to understand partners' contributions to the SOA better.
- Public sector bodies in West Lothian collectively spend around £1.1 billion. The CPP is at the early stages of understanding how this money could be best directed towards achieving the SOA outcomes.
- West Lothian benefits from having local planning arrangements in place. It is taking steps to integrate these further into community planning. The CPP is developing its approach to consulting with and involving local communities.

Collaborative working is strong in West Lothian

54. Partnership working is well established in West Lothian. Our 2005 audit of best value and community planning found that "joint working is a particular strength and has resulted in easier access across a range of related services". This has continued, with partners being committed and enthusiastic about working together.
55. In West Lothian, partnership working is a strong feature across many services, such as those that:
 - help older people to live independently in their own home
 - reduce reoffending
 - target families facing difficult circumstances.

The good relationships built up over the years and supported by the CPP have helped partners respond quickly to issues such as the closure of the Vion food manufacturing plant in 2013 that resulted in 1,700 redundancies. [Case study 2](#) gives more of examples of good partnership working in West Lothian.

Case study 2

Examples of partnership working

Daily tasking group

The daily tasking group is an example of how CPP partners share intelligence and work together to deal with community safety issues within the area. The group draws members from the West Lothian Community Safety Unit, Safer Neighbourhood Team, Scottish Fire and Rescue and Police Scotland. It discusses incidents from the previous day that would benefit from a partnership response. For example, the group has worked together to tackle fire-raising and talked to families to help prevent vandalism and anti-social behaviour.

West Lothian Working Together Group

The West Lothian Working Together Group works to reduce unemployment in Fauldhouse by making employment services accessible to residents within their own community. JobCentre Plus and West Lothian Council deliver an outreach service, the first model of its kind in Scotland, with two members of JobCentre Plus staff based full-time at Fauldhouse Partnership Centre and West Lothian Council staff providing outreach sessions. Their clients can access a work club which promotes contact with potential employers, an IT suite and courses to help them apply for jobs, improve IT and internet skills. JobCentre Plus also regularly shares information with the council about clients affected by welfare reform. This information has been used to target affected families through a 'door-knocking campaign' to offer access to relevant support services. The West Lothian Working Together Group has identified a list of potential outreach sites for the co-location model, carrying out assessments for Craigshill and Armadale.

Families Included

Families Included, established in April 2013, provides targeted support to those families facing chronic and complex difficulties who require more partner resources. The two-year project complements the work of statutory services that do not have the time or capacity to work intensively with whole families. The team is governed by a multi-agency steering group who report directly to the Preventative Interventions Board. A key-worker coordinates services; this encourages information sharing and swift responses.

The project has demonstrated promising early outcomes and cost savings. An evaluation of Families Included found that at referral each family's demand on services was on average £105,000 per year, or over £2 million for the 22 families involved. After six months referrals to services involved in child protection, crime, education support and anti social behaviour reduced significantly. The CPP will now evaluate the cost implications of this and decide if the practice can be adopted more widely.

Source: Audit Scotland with information supplied by West Lothian CPP

56. Partner organisations encourage and support collaborative behaviour. West Lothian Council, West Lothian College, West Lothian Leisure, and Skills Development Scotland all identify the need to work with community planning partnerships in their organisations' strategies. Others recognise partnership working as a core competency for their staff. The council's senior

manager competencies include partnership working and the SFRS has “working with others” as a core competency.

57. Joint training and development are more limited within the CPP itself. At the time of the audit the CPP was carrying out a collaborative learning programme supported by the Scottish Government and was consulting with partners over its focus.
58. The CPP needs to improve its understanding of how partner actions contribute to the SOA. The strategic plans for West Lothian Council, West Lothian Leisure, and West Lothian College link individual actions to the most relevant SOA outcomes. As such the plans can be said to be consistent with the SOA. The CPP does not, however, monitor how these activities contribute to the SOA.
59. Partners share and use data well compared with many other CPP areas. The CPP makes good use of shared information through its joint working, shared locations, and shared access to data analysts. Some partners expressed concern that perceived data protection issues continue to be a barrier in some areas, for example sharing health-related information.
60. We found some good practice in overcoming these barriers. For example, the DWP and council services share information on clients in Fauldhouse to improve the service and help identify opportunities for people seeking work. The CPP should build on this good practice, and identify where agreeing protocols can help overcome barriers to sharing personal data.

Partners spend over £1 billion on public services in West Lothian

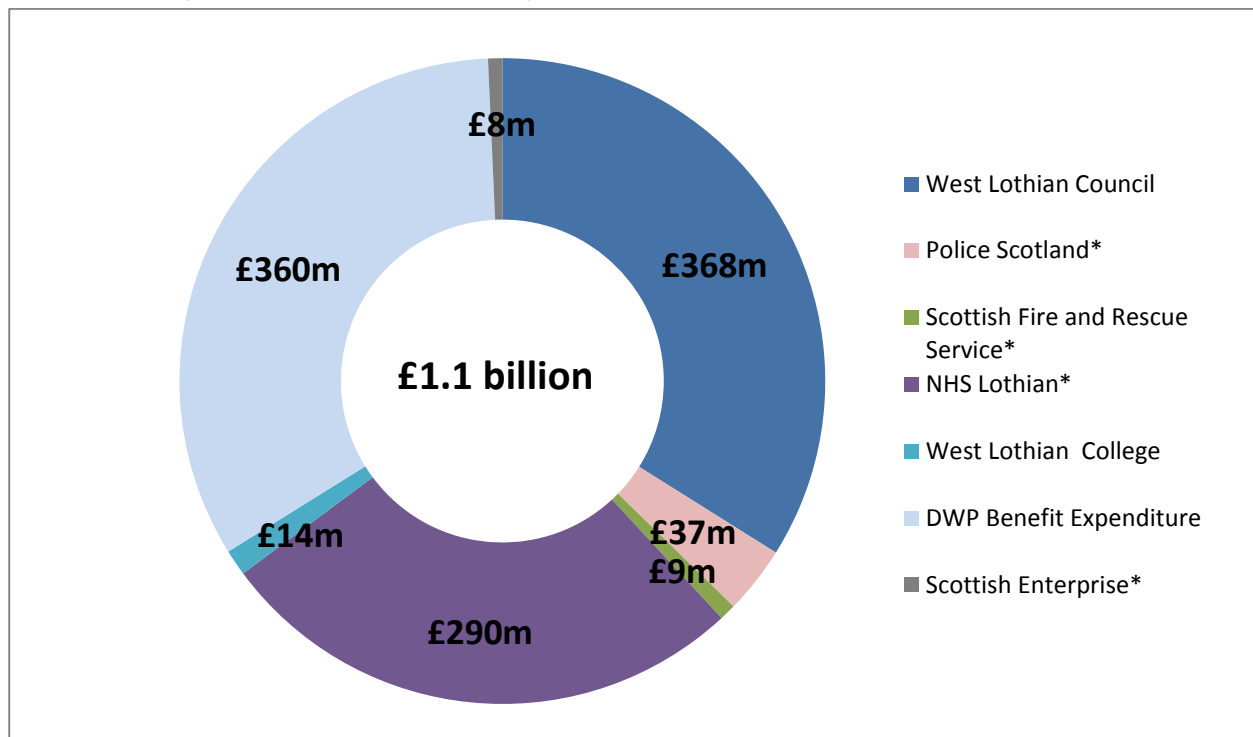
61. The Scottish Government and COSLA's *Agreement on Joint Working on Community Planning and Resourcing*, published in September 2013, expects community planning partners to:
 - share resource planning information and budget assumptions with each other at an early stage
 - work together through CPPs to deploy resources to achieve the jointly agreed priorities set out in the SOA.
62. We estimate that together public sector CPP partners spend some £1.1 billion in West Lothian, with the council and the NHS together making up around 60 per cent of this ([Exhibit 7](#)). The Voluntary Sector Gateway's 2012 'State of the Sector' report estimated that the third sector in West Lothian spends was around £77 million.⁸

⁸ State of the Sector Report 2012, Voluntary Sector Gateway West Lothian, 2012

Exhibit 7

Total spend by the CPP public sector partners

Public sector partners in West Lothian spent over £1 billion in 2012/13



Note: *pro-rata estimates based on population, SESTRAN funding not shown as less than £1 million

Source: Audit Scotland analysis of West Lothian partners' audited 2012/13 accounts

- 63. The CPP focus is on shared working using joint teams and shared premises. In common with many CPPs it does not directly manage the budgets and other resources used to deliver the SOA outcomes. Individual partners tend to meet the costs of their own contributions to community planning from their own budgets without these being reported to or managed by the CPP itself.
- 64. The CPP has a small dedicated team of 4.5 posts comprising: the CPP Development Manager, 1.5 development officers, a CPP analyst and a CPP accountant. The council meet most of the cost of supporting the CPP of around £210,000, with a small contribution from the NHS.
- 65. Partners were generally of the view that aligning budgets was preferable to pooled budgets. They highlighted practical difficulties to pooling budgets, such as different accounting regulations, budget-setting timetables and funding sources. Partners also viewed differences between local authority and health regulations and budget planning timescales as a barrier to joint financial planning and budget-setting.
- 66. The only pooled budgets the CPP use are those linked to the government's change fund initiatives. These are ring-fenced for specific areas usually requiring partnership working, such as care for children and older people. The council manages these change funds, with input from the relevant partners.

The CPP is developing its understanding of how its shared resources could be used more effectively to deliver the SOA

67. The Agreement on Joint working on Community Planning and Resourcing expects community planning partners to jointly identify and manage the resources they need to deliver better outcomes for communities.⁹ The CPP established its Resource Aligning Group (RAG) in late 2013 in response to this. Its purpose is to improve the partnership's ability to target its resources to increase its impact. The group will map the resources available across the partnership and determine how best the CPP can use these to deliver each of the SOA outcomes.
68. The group is chaired by the council's Head of Finance and Estates and has members from across the partnership. At the time of the audit the group was at its early stages. It had set out baseline information around how partners structure their budgets, and had issued a template for partners to set out more detailed information based on their 2014/15 budget. Some of the issues that the RAG identified included the following:
- National organisations such as NHS, Police Scotland, SFRS and Skills Development Scotland had difficulties identifying local budgets; information on workforce and local property assets was more easily available.
 - Some partners aligned their plans with the SOA, but this did not extend to allocating and budgeting resources.
 - Partners who share the West Lothian boundary, including the council and West Lothian College, were more able to link their budgets to the SOA local priorities.
 - Organisations in the voluntary sector are well placed to identify resources as they are generally grant-funded and must justify their spend for each project or area.
69. Given the continuing pressure on public sector budgets, it is important that the CPP builds on this initial work and identifies opportunities for using shared resources more effectively. The CPP aims to incorporate preventative spend into its financial planning but this is at an early stage. This work is important if the CPP board is to take strategic decisions to redirect resources to prevention.
70. In April 2014 the CPP agreed to develop a CPP Asset Plan for property, information technology resources, and vehicles. This will allow it to identify the assets held by CPP partners across West Lothian and to better manage these to deliver the SOA.
71. The main area where the CPP partners share resources is through its shared premises including its civic centre in Livingston and three partnership centres, including Fauldhouse ([Case study 3](#)). The services and funding arrangements vary by location, with the council, NHS and the police being the main partners. In January 2013 West Lothian Council approved some £14 million investment over the next five years for six further partnership centres. NHS

⁹ The Scottish Government, COSLA and the National Community Planning Group published its Agreement on Joint working on Community Planning and Resourcing in September 2013.

Lothian will contribute to funding for the Blackburn Partnership Centre, scheduled to be completed in 2016.

- 72. The West Lothian Civic Centre opened in 2009. It is a purpose-built facility in Livingston shared by public sector bodies including West Lothian Council, Police Scotland, Scottish Fire and Rescue, CHCP, Scottish Court Service, Scottish Children's Reporter and the Crown Office and Procurator Fiscal Service.
- 73. The CPP partners jointly agreed on what services to locate in the civic centre, for example the police saw benefits in being close to the courts service. Partners benefit from sharing overheads including the facilities management contract, which is shared between the council, the courts and the police. It is easy for staff from partner organisations to meet, promoting good communication, building working relationships and enhancing information sharing. All of this benefits those who use these services.
- 74. Partnership centres bring services to a common location, but can also enable new ways of working to improve services. Services within the partnership centres have been integrated to some extent (Case study 3). The current and planned partnership centres give a good foundation for developing local services. The CPP has a group in place to identify further opportunities for integrated working within these.

Case study 3

Fauldhouse partnership centre



- Fauldhouse Partnership Centre opened in 2011 to bring together local services for the community such as GP surgeries, a dentist, a pharmacy and leisure facilities. Being together brings benefits both to those who use services and those who provide them. For example pharmacists, the GP and dental practice can quickly resolve prescription issues.
- A shared reception desk covers all services, except for the GP and dentist. This allows customers to order a book from the library, pay for a swim session and make an appointment with an employment advisor, all from the same place.
- Fauldhouse accesses the First Steps to Health and Wellbeing exercise referral project. This allows GPs to refer patients directly to exercise programmes operated by West Lothian Leisure. Referrals across West Lothian have increased year on year with 8,696 people being referred to the programme in 2013/14. West Lothian Leisure commissioned a social impact study in 2011 that indicated benefits to the NHS of around £2.4 million from this.
- The police have a base at the centre and hold surgeries that help overcome barriers with the local community. There is also a co-location model of delivering employability services between JobCentre Plus and West Lothian Council, providing outreach services to the local community ([Case study 2](#)).

Source: Audit Scotland with information supplied by West Lothian CPP

There are good examples of local activity involving communities, but links with the CPP are not yet strong

75. West Lothian benefits from having plans in place for local wards, and there are many good examples of local partnership working with communities and the voluntary sector. However this locality work does not link closely to community planning. The CPP is therefore not taking full advantage of the opportunity to build this local work with communities into how it delivers the SOA. The CPP is aware of this and is reviewing its approach. This will include developing regeneration plans in seven areas of concentrated deprivation. This will be particularly important to take forward its SOA aim to reduce inequalities.
76. Each ward area has a locality plan that is reported to the local area committee. The plans identify local priorities and actions and are broadly aligned with the SOA outcomes. The plans vary in their coverage, with some being more developed than others. Some of the locality plan priorities have been well-informed by local data and intelligence, including local consultation exercises. [Case study 4](#) illustrates locality plans for two contrasting areas.

Case study 4

Partnership working in Fauldhouse and Linlithgow

Partnership work in communities varies by location and is tailored to local needs and priorities.

- Fauldhouse has relatively high levels of deprivation and unemployment. This, and its remote location, led to it being a priority location for a partnership centre ([Case study 3](#)). Employability is a strong feature in the locality plan and the centre provides a range of employability services. Other priorities include tackling young people drinking alcohol, money advice, and developing local assets such as community gardens and cafes.
- The Fauldhouse Community Development Trust is an active local organisation. It focuses on poverty and sustaining the community and provides complementary services such as children's play facilities, a cinema and a cafe for people with dementia. It also helps local enterprises' fund-raising efforts.
- The focus of the Linlithgow locality plan is quite different. Linlithgow is comparatively more affluent, and does not have a shared partnership centre. Health, council, and various voluntary services operate from separate locations in the town.
- The locality plan includes supporting the Linlithgow town centre management group's work to increase visitor numbers and support local businesses. Applications for two Business Improvement Districts based on a ballot of local businesses have been successful and are being finalised to improve the town centre environment. Youth activities also feature in the locality plan and a youth centre provides sexual health advice, activities to discourage young people from drinking alcohol, and facilities for local bands to practise.
- The locality plan also includes actions for the more deprived Bridgend community with dental health sessions in primary schools, money advice support and consultations about local facilities. Bridgend has a community centre, but this remains under-used despite efforts to encourage local services such as a baby and toddler group. A Bridgend Community Group has recently come together to manage the centre and engage with the local community to identify needs.

Source: Audit Scotland with information supplied by West Lothian CPP

77. The Scottish Government aims to give communities more power to design and deliver services. The CPP is developing its approach to engaging local communities. It has introduced asset-based community development training involving practitioners and the community as part of its regeneration work. It also has plans to train CPP partners in participatory budgeting. The Fauldhouse Community Development Trust ([Case study 4](#)) is a good example of a community-run organisation.
78. There are examples of good practice in engaging with communities. But partners tend to do this individually rather than collectively. The CPP has taken the positive step of setting up a community engagement forum and has prepared a community engagement plan. This will help it to coordinate its activities better and share good practice. The CPP board should monitor the progress of its community engagement activity. This will help it to find opportunities for communities to design and deliver services with CPP partners. Community

development activity will be an important part of this to build skills and capacity in communities.

Recommendations

The CPP should:

- **Ensure the work of its RAG improves its understanding of how much partners' are contributing to the SOA and identifies further opportunities to combine resources to meet local challenges.**
- **Set a clearer direction for how locality planning and community participation will contribute to the SOA.**
- **Apply good practice in sharing personal data more widely across sectors, including health, to ensure services and activities target the appropriate people and areas.**

How is West Lothian performing?

Key messages

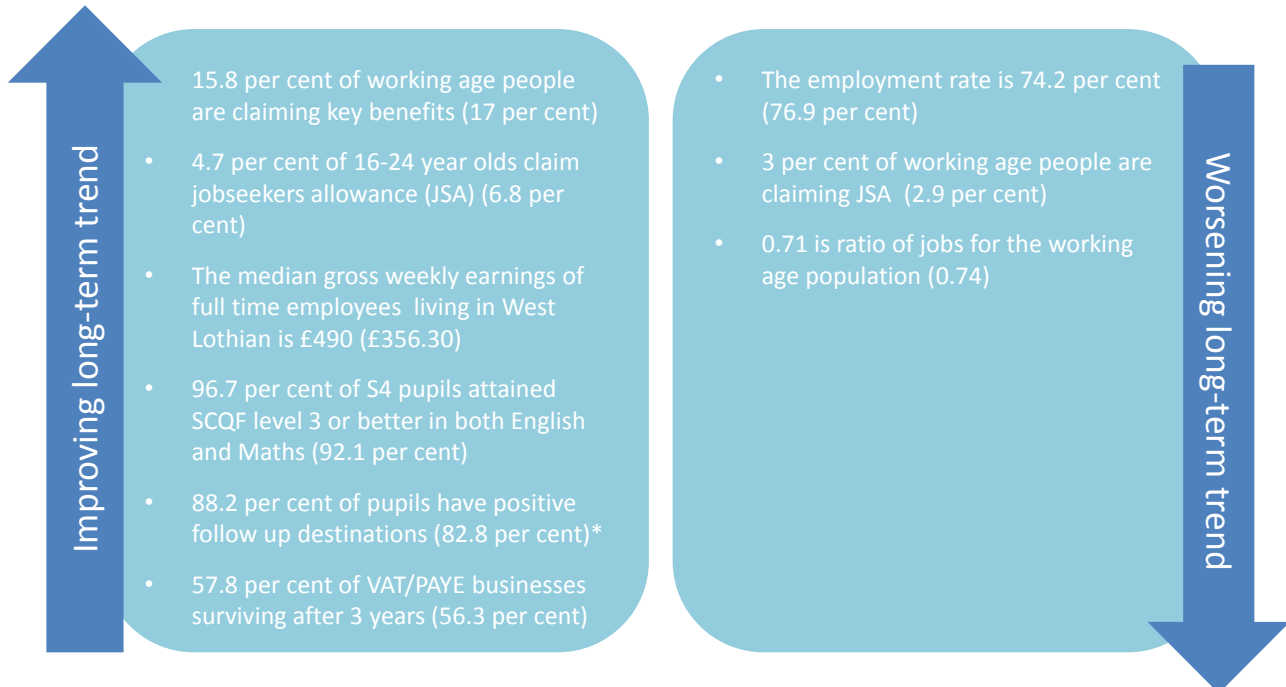
- The CPP has made good overall progress in improving economic and community safety outcomes and in some areas of health and wellbeing. Challenges remain in areas such as youth unemployment, reducing emergency hospital admissions and in reducing overall inequalities.
- In common with other CPPs, West Lothian CPP needs to better understand its impact and contribution to improving outcomes for the people in West Lothian.

The CPP is on track to reduce the numbers of benefit claimants to below 13,000 by November 2015

79. The SOA outcomes relevant to employability and economy are as follows:
- We are better educated and have access to increased and better quality learning and employment opportunities.
 - Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business.
80. The main objectives within these relate to employment, educational attainment, income deprivation, and supporting and growing local businesses. There has been good progress in these areas, including some recovery after major job losses. Challenges remain in youth unemployment, in diversifying the local economy and in increasing the numbers of jobs within West Lothian itself ([Exhibit 8](#)).

Exhibit 8**Outcomes relating to the economy in West Lothian**

Overall progress has been positive. There are challenges in responding to unemployment and increasing the numbers of jobs.

**Notes:**

1. The long-term trend compares the most recent data with baseline data from 2002/2003 where available (asterisk where comparison is with data from 2007 or more recent data).
2. Figure in brackets are the baseline figure.

Source: Office of National Statistics, Scottish Neighbourhood Statistics

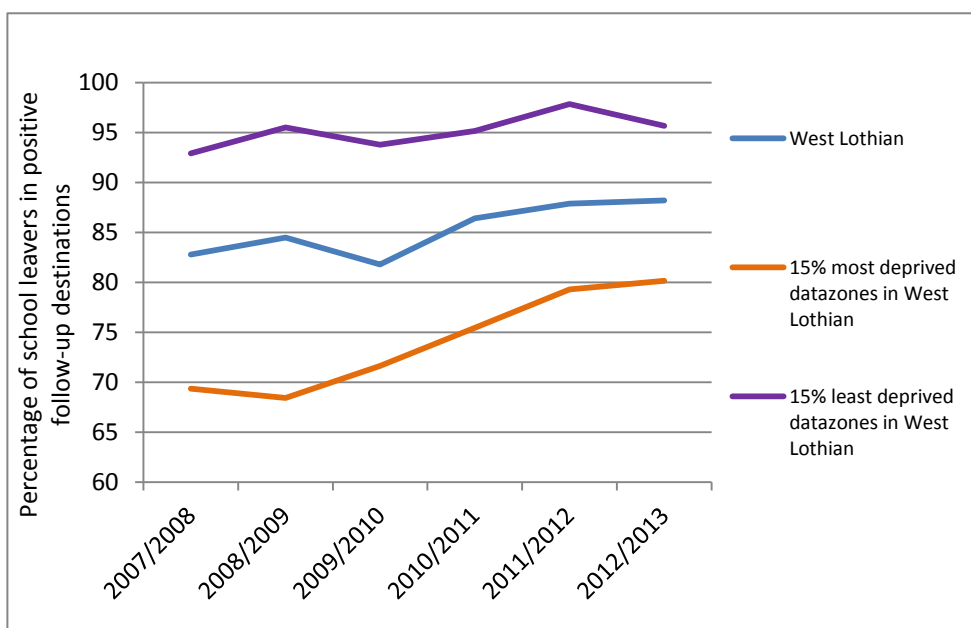
81. Employability is a strong focus of the CPP and levels of employment are higher in West Lothian than for Scotland. The CPP is ahead of its target to reduce the numbers of benefit claimants to below 13,000 by November 2015. The latest figure stands at 13,960 in November 2013. Youth unemployment remains a concern but the relative gap between West Lothian and Scotland is narrowing.
82. There is a gap in wage levels between West Lothian (£490 weekly wage before tax) and the Scottish average (£508) and it has widened slightly in the last year. The proportion of residents of working age with vocational qualifications has increased.
83. School leaver destinations have been a strong focus of partners including the council, colleges, local businesses and Skills Development Scotland. West Lothian has significantly improved its performance in the numbers of school leavers entering further education, training or employment. It performs better than its neighbouring CPPs, but at around 88 per cent lags behind the Scottish average of 90 per cent. The gap between the most and least deprived areas within West Lothian is also narrowing ([Exhibit 9](#)). However the most recent follow-up survey has shown some decline in the numbers in training and work placements compared to

initial positive destinations. This raises some concerns about the sustainability of school leaver destinations.

Exhibit 9

Percentage of school leavers in positive follow-up destinations

The gap is narrowing in the percentage of school leavers in positive follow-up destinations between the 15 per cent most and 15 per cent least deprived areas.



Notes:

1. The graph shows the average of the 15 per cent most deprived and 15 per cent least deprived datazones in West Lothian and the West Lothian average.
2. A datazone is a small geographical area of between 500 and 1,000 households, where possible, with similar social characteristics.

Source: *Scottish Neighbourhood Statistics*

84. Performance in growing and diversifying the local economy is more mixed reflecting the challenging economic environment. The number of available jobs in West Lothian has reduced, suggesting that individuals are finding employment elsewhere. The CPP's Quality of Life Survey 2013 found that respondents are broadly positive about West Lothian being a good place to do business with 51 per cent saying it is a good business location, up from 46 per cent in 2010.
85. CPP partners responded quickly to the closure of the Vion food manufacturing plant. When the closure was announced in late 2012, the West Lothian Partnership Action for Continuing Employment (PACE) was set up to advise and support the workforce.¹⁰ Economic partners also instigated the West Lothian Economic Growth Plan to counter the local impact of the economic downturn ([Case study 5](#)).

¹⁰ Partnership Action for Continuing Employment (PACE) is the Scottish Government's national strategic framework for ensuring a co-ordinated response to redundancy situations. The West Lothian PACE included SDS, DWP, West Lothian Council, West Lothian College and Citizens Advice Bureau West Lothian

Case study 5 - West Lothian economic growth plan

This ambitious plan was launched in April 2013 to boost the West Lothian economy, and to respond to the Vion (Halls) food plant closure. It is jointly delivered and funded by Scottish Government, Scottish Enterprise, and West Lothian Council, with support from SDS, Jobcentre Plus and the Business Gateway among others. With investment of some £29 million over five years the plan aims to grow and attract business and create 3,000 sustainable jobs.

Under the economic growth plan, over 30 firms have completed project work with £1.27 million invested, of which the growth plan has contributed £250,000. A further 70 firms are developing projects with a value of £12 million, with approximately £3.2 million from the growth plan. The impact of this investment on job creation and safe-guarding jobs is being monitored and will be apparent in the longer term.

Source: Audit Scotland with information provided by West Lothian CPP

86. The CPP does not yet measure the gaps between the most and least affluent areas in West Lothian. Our own assessment based on available data suggests some positive trends with the gap narrowing in the numbers claiming benefits, positive school-leaver destinations, and income deprivation ([Exhibit 10](#)). The CPP recognises that despite the reduction in unemployment, in-work poverty and under-employment are a concern.^{11 12}
87. The CPP's anti-poverty strategy includes a diverse range of actions around employment, education, health, and housing. These include helping people with employment, providing money advice, tackling food poverty and supporting people affected by changes following welfare reform. The CPP has measures in place to monitor this activity further.

¹¹ In-work poverty means a household's income is below the poverty threshold despite a member of the household being in employment

¹² Under-employment is where a person is in employment that either does not provide the hours they desire or they are highly skilled but in a low-skill job.

Exhibit 10

Economic inequality gaps in West Lothian

There are signs that the gap between the most and least deprived areas in West Lothian across some indicators is narrowing, but youth unemployment remains a concern.

Indicator	15 per cent least deprived datazones in West Lothian	15 per cent most deprived datazones in West Lothian	Relative gap
Percentage of working age people claiming key benefits	5%	28.7%	narrowing (2003 Q4, 2012 Q4)
Percentage of 16-24 year olds claiming jobseekers allowance	1.5%	9.6%	widening (2006 Q4, 2012 Q4)
Percentage of pupils in positive follow-up destinations	95.7%	80.2%	narrowing (2007/08, 2012/13)
Percentage of income-deprived people	2.9%	25%	narrowing (2009/10, 2011/12)

Note: Income-deprived includes people in receipt of income-related benefits such as jobseekers allowance, employment and support allowances and tax credits

Source: *Scottish Indices of Multiple Deprivation, Office of National Statistics, Scottish Neighbourhood Statistics*

Life expectancy for both men and women in West Lothian has increased at a faster rate than the national average

88. The SOA outcomes relevant to health and wellbeing are as follows:
 - Our children have the best start in life and are ready to succeed.
 - Older people are able to live independently in the community with an improved quality of life.
 - We live longer, healthier lives and have reduced health inequalities.

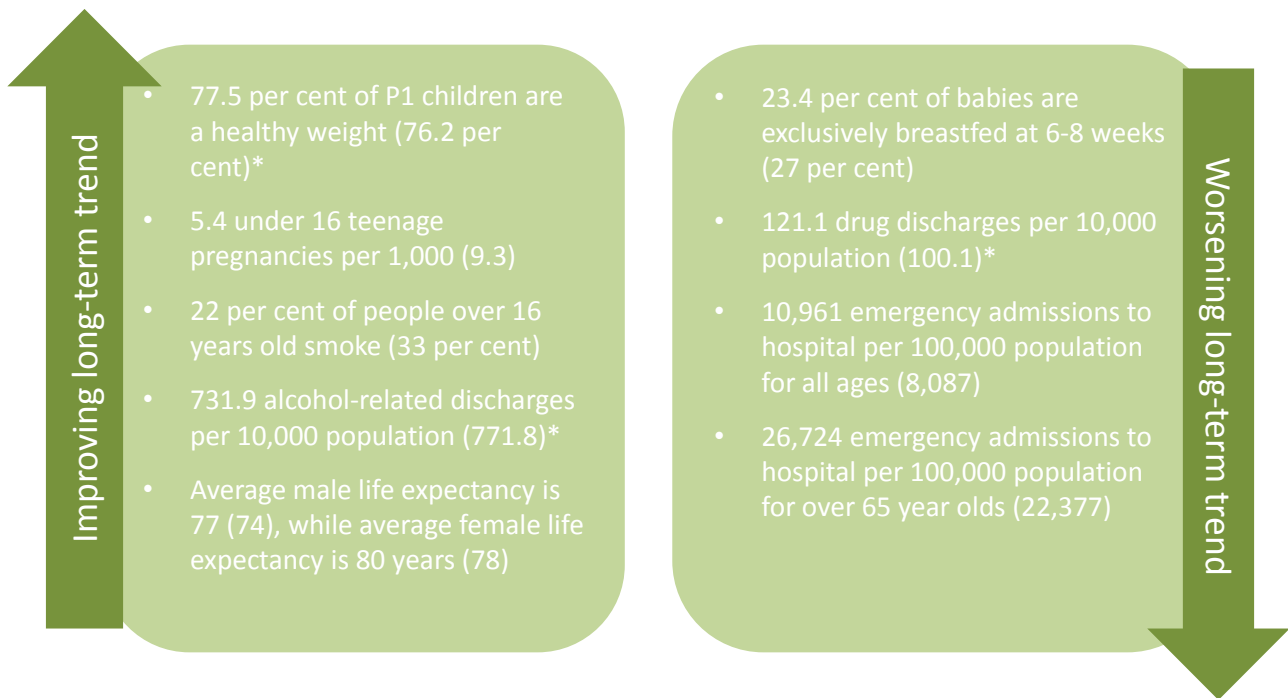
89. The main objectives within these relate to early years, physical and mental health, and health in older age. The data shows mixed performance, with indicators such as emergency admission, breastfeeding and drug-related discharges from hospital showing worsening trends. Good performance in delayed discharges has been broadly sustained; the CPP has noted that the slight recent increase is associated with increasing need for complex care

packages (Exhibit 11). While the long-term trend for alcohol-related hospital discharges has been improving in recent years it has become worse than the national average.

Exhibit 11

Outcomes relating to health and wellbeing in West Lothian

There is a mixed picture of improving and worsening long-term trends across health and wellbeing in West Lothian.



Notes:

1. The long-term trend compares the most recent data with baseline data from 2002/2003 where available (asterisk where comparison is with data from 2007 or more recent data).
2. Figure in brackets are the baseline figure.

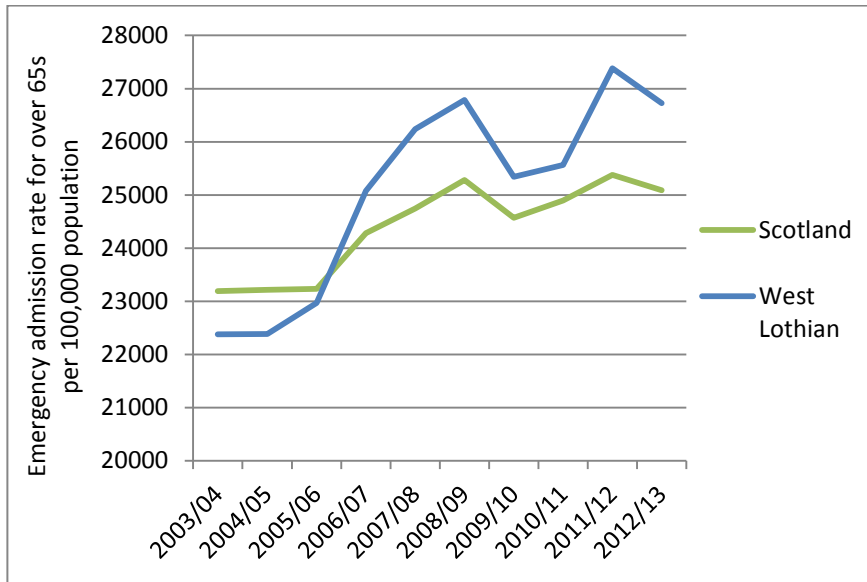
Source: NHS ISD Scotland, Scottish Household Survey, General Register Office for Scotland

90. Emergency admissions to hospital for people of all ages and for older people have increased markedly in recent years (Exhibit 12). Similar trends are apparent in West Lothian's neighbouring authorities. The CPP is aware of this. It has noticed that the CHCP's reablement and early assessment initiatives to help older people to continue to live in their homes and prevent hospital admissions are beginning to make a positive impact.

Exhibit 12

Emergency admissions rate for over 65 year olds per 100,000 population

There has been a marked rise in the rate of emergency admissions for over 65 year olds in West Lothian.



Source: NHS ISD Scotland

91. Breastfeeding has an important role in healthy development. Rates of breastfeeding in West Lothian are lower than in neighbouring CPPs, and for Scotland as a whole. The CPP has highlighted that its initiative to use existing breastfeeding mothers as peers to provide informal support has resulted in a small increase in breastfeeding in more deprived communities. The percentage of adults who smoke in West Lothian is similar to the national figure and neighbouring CPP areas.
92. Male life expectancy is currently above the national average whereas female life expectancy at 80.1 is below the national average of 80.8 years. The CPP monitors the life expectancy gap between the 15 per cent most and least deprived areas in West Lothian. Since 2003 the gap has been narrowing (Exhibit 13). The CPP's Quality of Life 2013 survey found that 73 per cent of respondents felt they have good health, a slight fall from 76 per cent in 2010.
93. Overall, Exhibit 13 shows that relative inequality gaps have been narrowing over time in West Lothian. Child poverty is better than the national average of 18.5 per cent at 17.1 per cent. But this masks inequality within West Lothian, with 33.2 per cent of children living in child poverty in the 15 per cent most deprived datazones compared to 4.3 per cent in the 15 per cent least deprived datazones. In 2012/13 we published a report on health inequalities that recommended that CPPs target provision, apply preventative practice, and improve how they monitor impact. The CPP should consider these recommendations as part of its overall approach to tackling inequalities.

Exhibit 13**Health inequality gaps within West Lothian**

The relative gaps in health inequality between the 15 per cent most and least deprived in West Lothian have been narrowing over time in West Lothian.

Health indicator	15 per cent least deprived datazones in West Lothian	15 per cent most deprived datazones in West Lothian	Relative gap
Percentage of children living in child poverty	4.3%	33.2%	narrowing (2009, 2011)
Percentage of children exclusively breastfed at 6-8 weeks	44.5%	12.3%	narrowing (2002/03, 2012/2013)
male life expectancy (years)	76.7	73.4	narrowing (2003-2007, 2006-2010)
female life expectancy (years)	80.2	76.9	narrowing (2003-2007, 2006/2010)
emergency admissions: all ages	6,512	14,646	widening (2003, 2011)

Source: General Register Office for Scotland, HM Revenue and Customs, Scottish Neighbourhood Statistics.

Recorded crime has decreased more than in neighbouring CPPs and is better than the national average

94. The SOA outcomes relevant to community safety are as follows:

- We live in resilient, cohesive and safe communities.
- People most at risk are protected and supported to achieve improved life chances.
- We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.

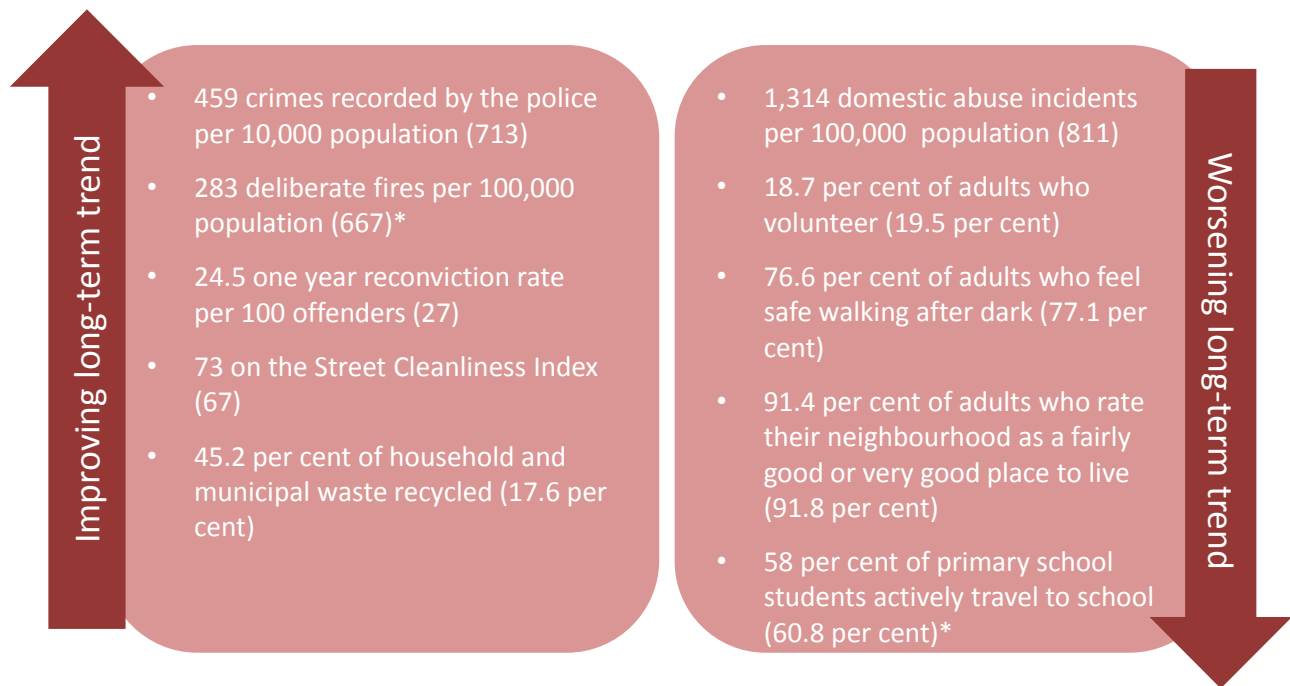
95. The main objectives within these relate to community safety, neighbourhood perception and the environment in local communities. The data shows overall improving performance, particularly in tackling crime, fire-raising and street cleanliness. However neighbourhood perceptions are below the national average. Reported incidences of domestic abuse are increasing and the CPP is looking into the reasons for this ([Exhibit 14](#)). Its targeted activity on

domestic abuse is a good example of how partners are working together in this area (Case study 6).

Exhibit 14

Outcomes relating to community safety and the environment in West Lothian

Positive progress has been made in important areas such as crime and reconviction rates, but challenges remain in domestic abuse and how people perceive their local area.



Notes:

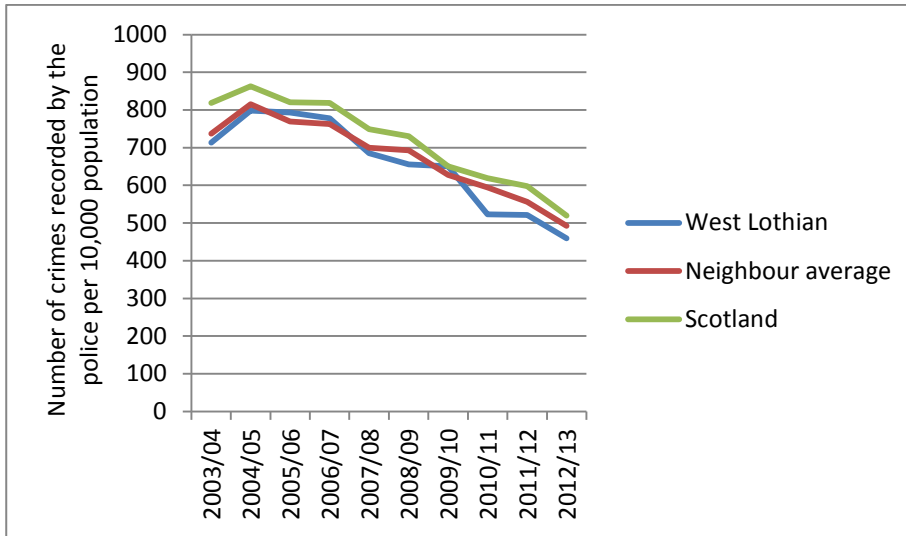
1. The long-term trend compares the most recent data with baseline data from 2002/2003 where available (asterisk where comparison is with data from 2007 or more recent data).
2. Figure in brackets are the baseline figure.

Source: Scottish Neighbourhood Statistics, Sustrans, Scottish Environment Protection Agency, Scottish Government, Local Government Benchmarking Framework

Exhibit 15

Crimes recorded by the police per 100,000 population compared with West Lothian

Recorded crime in West Lothian has decreased at a faster rate than in neighbouring CPPs.

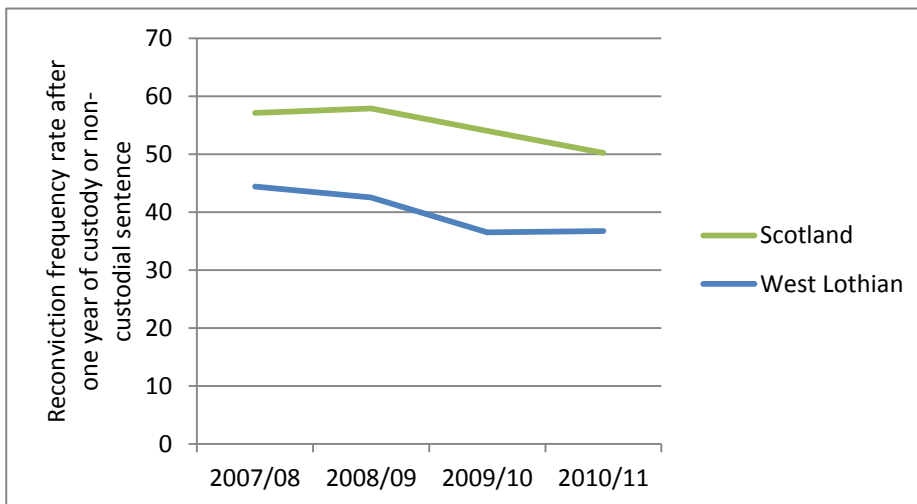


Source: Scottish Neighbourhood Statistics

Exhibit 16

Reconviction frequency rate in West Lothian compared with the national average

Reconviction rates are consistently lower than the national average.



Source: Scottish Neighbourhood Statistics

- 96. The SOA measures crime and reconviction rates and performance in joint partner initiatives such as the Domestic and Sexual Assault Team ([Case study 6](#)) and Early and Effective Intervention. The rate of crime and reoffending within West Lothian has been consistently lower than the national average for a number of years ([Exhibits 15 and 16](#)). The CPP's targeted work on persistent offenders and its programmes to divert young people from entering the criminal justice system have contributed to this.

Case study 6

Domestic and Sexual Assault Team (DASAT)

West Lothian Domestic and Sexual Assault Team (DASAT), based in the West Lothian Civic Centre, provides services to adult and child survivors of domestic abuse and rape and sexual assault. The team includes a substance misuse specialist, a counsellor, a mental health specialist, a housing and employability worker, a specialist service for women offenders and specialist children's workers. With the launch of the new West Lothian Domestic Abuse Court in February 2012, DASAT has extended the support provided to include specialist independent advocacy support for survivors throughout court processes and beyond. The 2013-2023 SOA includes new indicators for measuring outcomes against this service, namely the percentage of:

- children re-referred to DASAT
- women who report that they feel safe as a result of intervention by DASAT.

During 2013/14 100 per cent of women who used the service reported that they felt safe as a result of intervention by DASAT.

Source: Audit Scotland with information provided by West Lothian CPP

97. The CPP carries out a Quality of Life survey of its citizen panel every three years. This showed that neighbourhood satisfaction, including perceptions of safety has improved in recent years. The Scottish Household Survey also showed neighbourhood satisfaction in West Lothian to be improving, but below the Scotland average.
98. Provisional figures for 2013 show that the number of people killed or seriously injured in road accidents is 52, ahead of the target of 65. The Road Safety Plan for 2012-15 sets out education, engineering and enforcement interventions. This includes the WestDrive initiative for young driver education, involving a wide range of partners.

The CPP needs to better understand its impact on improving outcomes

99. Understanding the impact of CPP activity and spending on wider outcomes is a challenge for all partnerships. Activities do not happen in isolation and many factors influence outcomes in the longer term. This makes it difficult to understand how specific activities and interventions contribute to SOA outcomes and therefore how to deploy resources to where they will have the greatest benefit.
100. The CPP is aware of this and is taking steps to identify, collect and monitor the information it needs to better understand its impact. It has identified indicators to measure the impact of its preventative activity and it has already undertaken an assessment of its Families Included initiative (Case study 2, p.24). The CPP should also do more to track whether inequality gaps within West Lothian are reducing and how it has contributed to this. This is a complex area and the partnership welcomes the impetus from the Scottish Government in this area.

Improvement agenda

The report makes several specific recommendations. The following summarises the main issues the CPP should address.

The CPP should:

- **Ensure the board gives stronger leadership and strategic direction, in particular in relation to how the CPP targets its available resources and challenges partners over their progress in contributing to delivering the SOA. The board should also give stronger oversight to public sector reform and identify any opportunities and risks to delivering the SOA as part of this.**
- **Ensure the CPP board understands the risks for delivering the SOA, including how to take forward its commitment to reduce inequalities. As part of this it should set a clear direction for how prevention, locality planning, and community participation will contribute to the SOA.**
- **Ensure all partners are clear on how they are accountable for their contribution to the SOA .**
- **Realise further opportunities to combine resources to meet local needs through the work of the RAG, and through integrating locality work more closely with the SOA.**
- **Build on its good information-sharing to share data more widely across sectors including health.**
- **Improve how it reports publicly on progress in achieving the outcomes agreed in the SOA.**

Appendix 1: Methodology

The focus of our work was to assess the effectiveness of community planning in West Lothian in making a difference to local communities. We did this by gathering and evaluating evidence to allow us to address the following issues:

Thematic and area reviews

- Three themes particularly relevant to assess the effectiveness of partnership working in West Lothian: employability; reducing reoffending; and local partnership working in the two contrasting areas of Fauldhouse and Linlithgow.
- We arranged focus groups of local managers involved in our reviews of the employability and reducing reoffending theme areas to explore how well staff work together in practice. We held focus groups in the local areas including both people who provide and use services.
- Representatives from the Care Inspectorate, Education Scotland, and Her Majesty's Inspectorate of Constabulary in Scotland took part in interviews with CPP partners and observations of meetings and events to help us with our thematic reviews.

Desk research

Our audit team reviewed a range of documentary evidence provided by the partnership, including:

- previous and current versions of the SOA
- individual community planning partner organisations' strategies
- community planning meeting agendas, minutes and reports.

Data analysis

We analysed performance data for a range of indicators in the West Lothian SOA 2013-15, from many sources including:

- Scottish Neighbourhood Statistics
- Scottish Index of Multiple Deprivation
- Office for National Statistics
- National Records of Scotland
- The Scottish Public Health Observatory
- NHS Scotland Information Services Division
- Audit Scotland Statutory Performance Indicators.
- SOLACE benchmarking.

On-site fieldwork

We carried out interviews and focus groups with a range of community planning partners between March and May 2014 and attended a range of community planning meetings and events. These included members of the CPP board and thematic groups representing the following organisations:

- Association of Community Councils
- Community Justice Authority
- Fauldhouse Community Development Trust
- JobCentre Plus
- NHS Lothian
- SRUC Oatridge Campus
- Police Scotland
- Scottish Enterprise
- Scottish Fire and Rescue Service
- Scottish Water
- Skills Development Scotland
- The South East of Scotland Transport Partnership (SEStran)
- Voluntary Sector Gateway West Lothian
- West Lothian Chamber of Commerce
- West Lothian College
- West Lothian Council
- West Lothian Leisure
- West Lothian Youth Congress.

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

REPORT BY DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

EDINBURGH TRAMS PUBLIC INQUIRY

Purpose

1. The purpose of this report is to inform the Accounts Commission of the latest position regarding the proposed public inquiry into the Edinburgh trams project, and to invite it to consider how it might best support the inquiry.

Background

2. The Scottish Ministers announced in June 2014 that a public inquiry would be held into the Edinburgh trams project with a remit to “establish why the project incurred delays, cost considerably more than originally budgeted for and delivered significantly less than was projected through reductions in scope”.¹
3. Lord Hardie will chair the inquiry which will be non-statutory in nature i.e. there is no power to require individuals or organisations to provide evidence.
4. Members will recall that the Accounts Commission and the Auditor General have produced two performance audits on the Edinburgh trams project. *Edinburgh transport projects review* was published on behalf of the Auditor General in June 2007, and *Edinburgh trams interim report* was published on behalf of the Accounts Commission and the Auditor General in February 2011. Although the project was managed, for the most part, by an arms-length body of the City of Edinburgh Council, the AGS’s interest reflects the fact that the Scottish Government, via Transport Scotland, provided £500 million funding.
5. Further details on previous audit work on the Edinburgh trams project are provided in the attached Annex.

Progress with the public inquiry

6. At his request, the Solicitor to the Edinburgh Tram Inquiry met with PABV colleagues in August for an initial discussion around our previous audit work. The Solicitor outlined that the City of Edinburgh Council was providing significant volumes of documentary evidence to assist the inquiry but, otherwise, detailed plans for its conduct had still to be determined.
7. The Solicitor suggested that Lord Hardie might issue a formal call for evidence in writing from others in the autumn, with a view to having oral evidence sessions at a later date. There is no timetable for when Lord Hardie might report his findings but, based on other public inquiries, this might take up to two years.

Supporting the public inquiry

8. Previous Accounts Commission and Auditor General work on the Edinburgh trams project has been relatively limited in scope. The first report, which was undertaken at a relatively early stage in the project’s life and before the main infrastructure construction contract was signed, focussed on the approach to estimating project costs and the

¹ Scottish Government [news release 12 June 2014](#)

appropriateness of project management and governance arrangements. The second report, which was undertaken at a time of significant media interest in the project, focussed on the project's progress and costs to date and project governance arrangements.

9. Neither reports examined the detail of the form of the contract for infrastructure construction and the reasons for the contractual dispute over it. This is likely to be an area of significant interest to the public inquiry, and our ability to provide insightful evidence to the public inquiry on the specifics of the Edinburgh tram project may therefore be limited. However, it would seem sensible to assist the public inquiry where possible. This could include providing wider evidence on the public sector's management of major capital projects based on other audit work we have done. This would need to be done in the context of any questions raised by Lord Hardie in his call for written evidence.

Conclusion

10. The Commission is invited to note this update and consider how might it best support the public inquiry.

Fraser McKinlay
Director of Performance Audit and Best Value
12 September 2014

PREVIOUS ACCOUNTS COMMISSION AND AUDITOR GENERAL WORK ON THE EDINBURGH TRAMS PROJECT

What audit work has the Commission and Auditor General done in the past on the Edinburgh trams project?

1. The Commission and Auditor General have produced two performance audit reports on the Edinburgh trams project. *Edinburgh transport projects review* was published on behalf of the Auditor General in June 2007, and *Edinburgh trams interim report* was published on behalf of the Accounts Commission and the AGS in February 2011.
2. The 2007 report was undertaken at the request of the Cabinet Secretary for Finance and Sustainable Growth to provide a high-level review of the arrangements in place for estimating the costs and managing the Edinburgh trams and Edinburgh Airport Rail Link projects. Both projects were at a very early stage of their lives at this time. In respect of the Edinburgh trams project, the report considered:
 - Whether the approach to estimating project costs was robust
 - Whether project management and governance arrangements were appropriate.
3. The 2011 report was undertaken at a time of significant public interest in the project, fuelled by reports of time delays, cost overruns and a contractual dispute between Transport Initiatives Edinburgh (**tie**) – the City of Edinburgh Council's (CEC) arms-length organisation responsible for managing the project – and the Bilfinger Berger Siemens (BBS) consortium responsible for infrastructure construction. The report considered:
 - The project's progress and costs to date
 - Project governance arrangements.
4. In addition to these reports, the annual audit reports for CEC have commented on the trams project each year since 2007/08. These reports have covered issues such as the accounting treatment of grant received from Transport Scotland, project governance arrangements, spend and progress to date, and the implications of cost overruns on CEC borrowing levels. In particular, the 2010/11 report reviews events since the February 2011 report was published, including the introduction of revised project management and governance arrangements following CEC's decision to wind-up **tie** and replace it with Turner & Townsend as project managers.

What did this work not cover?

5. Both reports were produced in relatively short timeframes and were limited in their scope and objectives. Amongst the issues our work did not consider were:
 - The appraisal of bids received in respect of the various contracts making up the overall project. At the time of the 2007 report, only the utilities diversion contract had been awarded.
 - The detail of the form of contract for infrastructure construction and the reasons for the contractual dispute between **tie** and BBS. We did not speak to BBS as part of the 2011 report.

- The quality of project management, the cause or cost of time overruns, or the performance of any of the contractors involved.

What were our findings?

6. The 2007 report found that:

- The current anticipated costs of Phases 1a (Edinburgh Airport to Leith Waterfront) and 1b (Roseburn to Granton Square) were £501.8 million and £92 million respectively. The then Scottish Executive had committed to provide £500 million, with the balance being provided by CEC (£45 million) and private sector developers. Sufficient funds were therefore in place to proceed with Phase 1a.
- Project cost estimates had been subject to robust testing through independent review by consultants, and benchmarking with other UK tram projects. Initial bids for infrastructure construction received in January 2007 provided **tie** with further confidence in its cost estimates, although these were still subject to negotiation.
- A clear corporate governance structure for the project was in place. Senior representatives from **tie**, Transport Scotland, CEC and Transport Edinburgh Limited (TEL) sat on a Tram Project Board (TPB) responsible for delivering the project to agreed cost, timescale and quality standards.
- Project management and organisation was clearly defined, and there were sound financial management and risk management arrangements in place. In particular, the procurement strategy had been designed to minimise risk and ensure successful delivery of the project through the use of separate contracts for different elements of the project. These contracts were intended to be fixed price where this was reasonable i.e. where bidders could be expected to have a high degree of cost certainty.

7. CEC postponed Phase 1b in April 2009 due to the economic downturn. The 2011 report found that:

- The original plan to have trams operational by summer 2011 was not achievable. Utilities work was 97 per cent complete and good progress was being made with the delivery of tram vehicles. But greater than expected utilities diversion works and the contractual dispute with BBS was delaying progress. Further mediation talks between **tie** and BBS were planned for March 2011.
- **tie** had spent £402 million on Phase 1a by the end of December 2010. It considered that it could predict the final outturn expenditure for most elements of the project but the final cost could not be determined until the cost of resolving the infrastructure construction dispute was known. Nonetheless, **tie** had concluded that it was unlikely that all of Phase 1a could be delivered for £545 million i.e. the Scottish Government's grant support plus CEC's contribution.
- The Tram Project Board continued to be the project's main governance body, although it was now a sub-committee of TEL. Transport Scotland was no longer represented on the TPB because, following Ministers' decisions that the Scottish Government's contribution would be capped at £500 million, it considered it did not have the same oversight role for the trams project as it did for other Scottish Government transport projects. However, Transport Scotland continued to meet with CEC on a quarterly basis to review the project's progress.

- CEC was providing regular reports on the project's progress to elected members at full Council meetings. The commercially sensitive nature of the dispute with BBS and future financial projections meant the elected members not directly involved in the project were frustrated at the limited amount of information made available.
8. The final report on the 2010/11 audit of CEC reported that:
- Mediation talks in March 2011 between CEC and BBS had been successful in moving the project forward. Following further consideration, in September 2011 elected members agreed that the project would run from Edinburgh Airport to York Place within a cost envelope of £776 million. The additional cost was to be funded by £231 million prudential borrowing. The cost of this additional borrowing was put at £30 million per annum for 30 years.
 - CEC had appointed Turner & Townsend as project managers in place of **tie**. A revised governance structure had been agreed which included a Joint Project Forum, chaired by CEC's chief executive and including senior representation from all key parties involved to provide improved strategic direction; a Project Delivery Group responsible for operational delivery; and an all-party Elected Members Oversight Group. Transport Scotland was now represented in the new arrangements, although it was still too early for auditors to comment on the effectiveness of the new arrangements.
9. The final report on the 2011/12 audit of CEC considered that the revised governance arrangements appeared to be working as planned except that the requirement to report the general performance of the tram project to CEC's Audit Committee was not being followed. CEC management advised that the new Governance, Risk and Best Value Committee's scrutiny plan included regular updates on the trams project. As at September 2012, the project remained within the £776 million revised budget with £669 million spent to date. The 2012/13 final report confirmed that CEC still expected to deliver the project for £776 million which would be operational by May 2014.

ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

REPORT BY ASSISTANT AUDITOR GENERAL

THE IMPACT OF WELFARE REFORMS ON COUNCIL RENT ARREARS IN SCOTLAND

Purpose

1. The purpose of this report is to advise the Commission of the outcome of Audit Scotland's review of the impact of welfare reforms on council rent arrears in Scotland.

Background

2. The UK Government has introduced a number of welfare reforms since 2010. Many of these reforms impact upon household income and housing benefit. The most significant reform introduced to date with a potential direct impact on social housing rents is the removal of the spare room subsidy, which was introduced in April 2013.
3. For the purpose of this review, Audit Scotland looked at local authority rent arrears to determine the extent to which the removal of the spare room subsidy, and other welfare reforms have impacted on rent arrears in Scotland.

Key messages

4. In 2012/13 the value of rent arrears for all Scottish councils was £28.2 million which was an increase of approximately 16% on 2011/12 levels. Following the introduction of the removal of the spare room subsidy, rent arrears increased further to £35.1 million by 31 March 2014, which represents an increase of approximately 24% on 2012/13 levels.
5. Discretionary housing payment (DHP) funding to provide financial assistance towards housing costs has risen significantly from £4.2 million in 2012/13 to £38.2 million in 2013/14. Despite a significant amount of effort and resources employed by councils, only £29.4 million of this funding was spent. Without the additional DHP funding, rent arrears for council tenants could have potentially risen to £49 million at the end of 2013/14.
6. Councils have revised internal policies and introduced a wide range of initiatives to help support tenants to pay rent and with welfare reform in general.
7. Looking forward, future reforms such as Universal Credit, direct payments to claimants, and the fact that many households are, or might be affected by more than one welfare reform change, are likely to make rent collection even more challenging.

Recommendation

8. The Commission is invited to note the outcomes of the review of the impact of welfare reforms on council rent arrears in Scotland.

Russell Frith
Assistant Auditor General
10 September 2014

The impact of welfare reforms on council rent arrears in Scotland



Prepared for the Accounts Commission
September 2014



Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Introduction

1. The UK Government has introduced a number of welfare reforms since 2010. Many of these reforms impact upon household income and housing benefit (HB). The most significant reform introduced to date with a potential direct impact on social housing rents is the removal of the spare room subsidy (RSRS), also known as the 'bedroom tax', which was introduced in April 2013.
2. From April 2013 all working age tenants renting from a local authority, housing association or other registered social landlord receive HB based on the number of people in their household and the size of their accommodation. This means those tenants whose accommodation is larger than they need might lose part of their HB. Those with one spare bedroom could lose 14% of their eligible rent and those with two or more spare bedrooms could lose 25%.
3. For the purpose of this study, Audit Scotland looked at local authority rent arrears to determine the extent to which the RSRS and other welfare reforms have impacted on rent arrears in Scotland. We reviewed the published housing statutory performance indicators (SPIs) for all Scottish councils with housing stock for the period 2011/12 to 2012/13. In order to compare these SPIs before and after the introduction of the RSRS, a questionnaire was devised and issued to each council in March 2014 requesting the same information for 2013/14.
4. This report details the findings of our analysis of this data and includes a review of the underlying factors impacting on rent arrears, highlights council initiatives to help mitigate the effect of welfare reforms on rent arrears, and details revisions that councils have made to their housing policies in response to welfare reforms. Finally, the report highlights where current welfare reforms as well as those still to be introduced, may impact on rent arrears in the future.

Key messages

5. In 2012/13 the value of rent arrears for all Scottish councils was £28.2 million which was an increase of approximately 16% on 2011/12 levels. Following the introduction of the RSRS in April 2013, rent arrears increased further to £35.1 million by 31 March 2014, which represents an increase of approximately 24% on 2012/13 levels. A number of reasons for the increase in 2013/14 have been suggested by councils. These include:
 - the combination of welfare reforms such as the reduction in HB due to the RSRS, a restriction on the amount of benefit that can be received (the benefit cap), the increase in non-dependent deduction charges, benefit sanctions, changes to Employment Support Allowance (ESA) and tax credits
 - councils with 'no eviction' policies appearing to have removed the ultimate sanction for non-payment of rent
 - additional pre-action requirements introduced in August 2012 that landlords must satisfy before serving a legal notice on a tenant
 - the downturn in the economy and a high unemployment rate in some areas
 - tenants not engaging with councils or prioritising their rent payments.
6. Discretionary housing payments (DHPs) provide financial assistance towards housing costs and are available to benefit claimants of both council and other landlords. DHP funding has risen significantly from £4.2 million in 2012/13 to £38.2 million in 2013/14. Despite a significant amount of effort and resources employed by councils, only £29.4 million of this funding was spent. Without the additional DHP funding, rent arrears for council tenants could have potentially been around £49 million at the end of 2013/14.
7. Councils have revised internal policies and introduced a wide range of initiatives to help support tenants to pay rent and with welfare reform in general. Initiatives have been introduced around money advice, digital inclusion and helping people gain skills to increase job opportunities.
8. Looking forward, future reforms such as Universal Credit (UC), direct payments to claimants, and the fact that many households are, or might be affected by more than one welfare reform change, are likely to make rent collection even more challenging.

Background

9. The UK Government's Emergency Budget in June 2010 and the October 2010 Comprehensive Spending Review introduced a number of reforms with the aim to fight poverty, support the most vulnerable in society, and help people break the cycle of benefit dependency.
10. This is the biggest reform of the UK welfare system for 60 years and has resulted in a number of significant changes to how councils deliver services. Part of this agenda included reductions in welfare spending spread across different areas of benefits with only pensioners being exempt from the changes. The Scottish Government estimates that the impact of the changes over the six year period 2010/11 to 2015/16 could reduce the Scottish welfare bill by around £6 billion. The Scottish Parliament's Welfare Reform Committee's statistical update in respect of the RSRS showed that, at the end of November 2013, there were 71,694 households in Scotland with more bedrooms than deemed necessary (under-occupation). This equates to one in eight of all households in the social rented sector.
11. The various welfare reforms can lead to tenants experiencing severe financial difficulties and in respect of council tenants, this can lead to increased rent arrears and additional costs to councils seeking to recover these arrears.
12. Of the thirty two Scottish councils, twenty six have housing stock and the income derived from these properties is used to maintain and improve current properties, build new properties, and service debt. Councils prepare long term housing strategies and these plans, and the decisions emerging from them, are based on financial assumptions such as inflation, borrowing costs and significantly, rental income. Any reduction in rental income could seriously impact housing strategies to improve and maintain housing stock.
13. In order to help mitigate the impact of the RSRS in 2013/14, £18.2 million was provided by the UK Government in the form of additional DHP funding. The Scottish Government also provided £20 million to help mitigate the impact of the RSRS.

Impact of welfare reforms

Rent Arrears

14. Rent arrears is the amount of rent due but not paid to the landlord on time. It includes current tenants arrears which is money owed by existing tenants, and former tenant arrears which is money owed by people who are no longer tenants, for example where the tenant has been evicted, has abandoned the property, or had their tenancy terminated.
15. The introduction of the RSRS in April 2013 means that where a tenant has more bedrooms than is deemed necessary they are considered to be under-occupying the property. Tenants in receipt of HB would therefore receive a reduction in the amount of rent eligible for HB of 14% for one extra bedroom, and 25% for two or more extra bedrooms.
16. Although there are some exceptions, the UK Government estimated that the average council tenant would need to find an extra £14 per week to meet their rent commitment. As there is a national shortage of one-bedroomed council properties to allow tenants to downsize, it was anticipated that the implementation of this welfare reform would result in an increase in the value of rent arrears as tenants found it difficult to meet the additional rental charge.
17. In order to determine to what extent welfare reforms have impacted on rent arrears, Audit Scotland analysed current and former rent arrears data for the period 2011/12 to 2013/14, in respect of the 26 councils that have council housing stock.

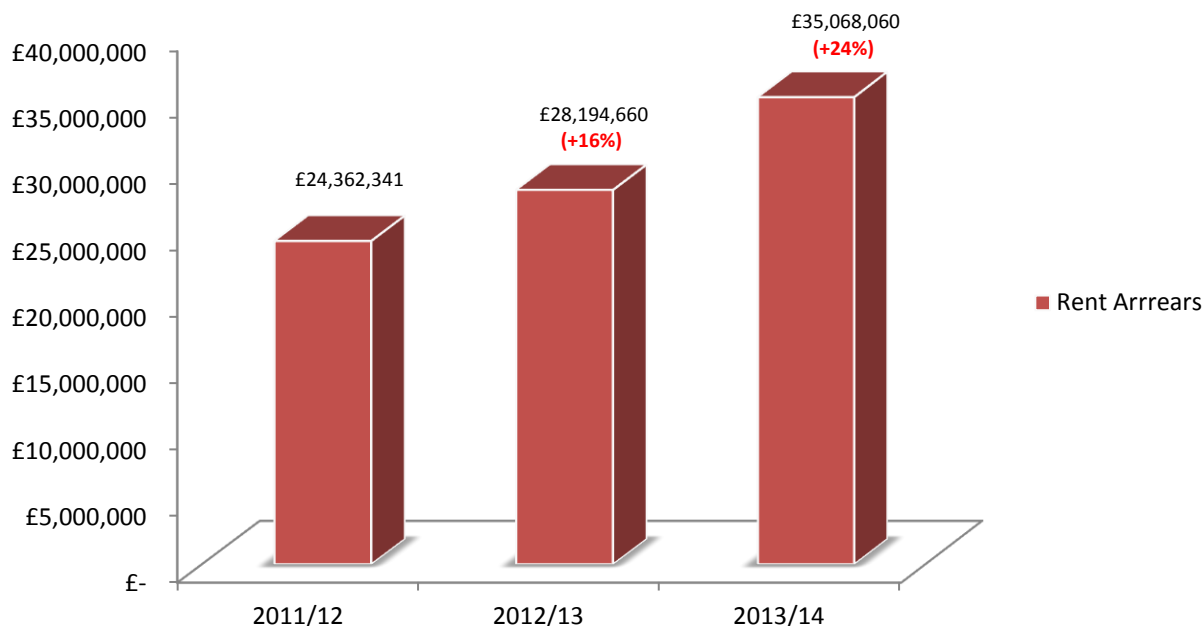
Former Tenant Arrears

18. Our review identified that the value of former tenant arrears remained relatively static between 31 March 2013 and 31 March 2014 at between £22.1 million and £22.2 million. £6.5 million of former tenant arrears were written off in 2013/14, which was largely in line with the £6.6 million of former tenant arrears written off in 2012/13. In view of this, we have excluded former tenant arrears from our analysis as there does not appear to have been any significant impact in this area as a result of welfare reforms.

Current Tenant Arrears

19. Exhibit 1 below shows the change in the value of current tenant rent arrears in Scotland during the period 2011/12 to 2013/14.

Exhibit 1: Change in the value of rent arrears in Scotland after RSRS introduced in April 2013



Source: Audit Scotland & Scottish Councils

20. This exhibit shows an increase in current tenant rent arrears of approximately £3.8 million from 2011/12 to 2012/13 and, following the RSRS in April 2013, a further increase of approximately £7 million, which represents a 24% increase on 2012/13.
21. In order to establish the possible reasons for the change in the value of current rent arrears and to determine the impact of the government's welfare reforms we looked at the gross annual debit in the housing revenue account for all Scottish councils. This is the value of the total rental income available to councils as revenue from its housing stock.
22. The gross annual debit may change due to factors such as rent charges being increased in council budgets, or an increase or decrease in the number of council houses. It could be expected that if rent arrears remained at a constant percentage of the gross debit then actual arrears could rise as the gross debit amount rises.
23. However, when we compared the increase in the gross annual debit for 2013/14 of 4.4%, to the increase in rent arrears of 24%, we concluded that the increase in rent arrears is not solely due to an increase in rental charges. The 4.4% increase in the gross annual rent debit was broadly similar to the 3.8% increase in 2012/13.
24. Exhibit 2 below shows the increase in the value of current tenant rent arrears as a percentage of the gross rent debit.

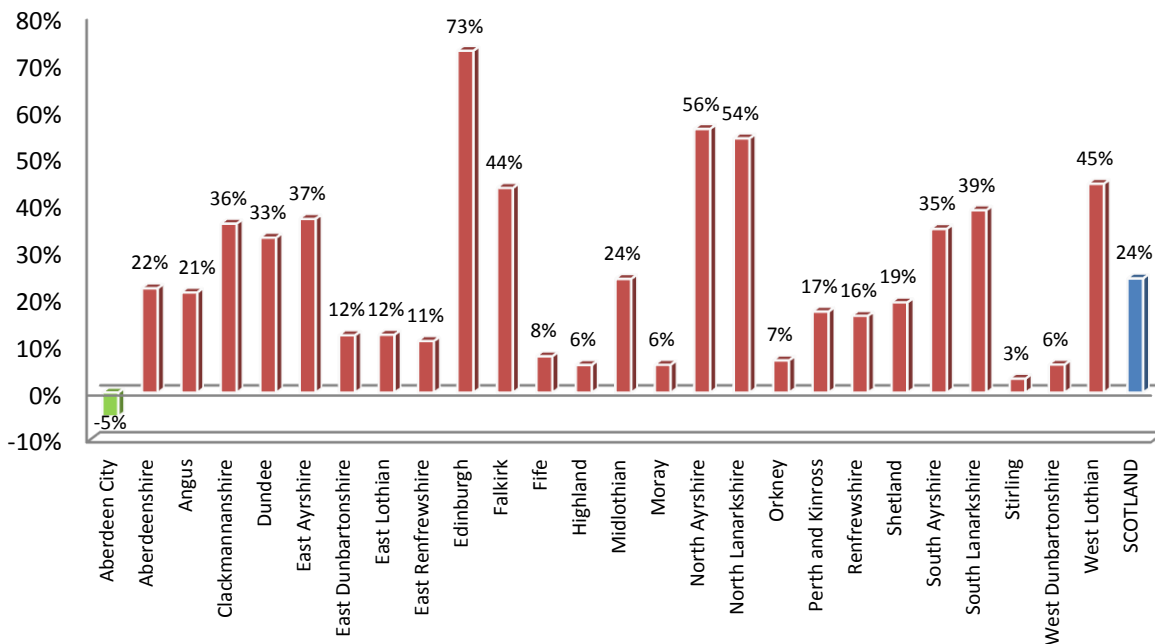
Exhibit 2: Rent arrears as a percentage of gross rent debit

	Gross rent debit	Rent arrears	%
2011/12	£952,637,415	£24,362,341	2.6%
2012/13	£988,667,716	£28,194,660	2.9%
2013/14	£1,032,336,268	£35,068,060	3.4%

Source: Audit Scotland & Scottish Councils

25. The table above illustrates an increasing trend in the percentage of rent charged that has not been paid.
26. Exhibit 3 below shows the increase in current tenant rent arrears for each council in Scotland in 2013/14.

Exhibit 3: Increase in rent arrears in 2013/14 following the RSRS in April 2013



Source: Audit Scotland & Scottish Councils

27. The exhibit above shows a wide variance in the percentage change of rent arrears across Scotland ranging from Aberdeen City Council, where rent arrears dropped by 5%, to the City of Edinburgh Council where rent arrears increased by 73%, which equates to approximately £1.5 million. This variance may be explained in part by local economic factors and various different initiatives introduced by councils to ensure rent arrears levels remained as low as possible. The distribution methodology used to allocate the increased DHP funding and the additional Scottish Government funding to each council appears to also have had a varying impact across councils as some councils appear to have had more funding than was required.

The increased DHP funding provided during 2013/14 is discussed later in this report under *Discretionary Housing Payments*.

28. There were a number of reasons that councils stated were attributable to the increase in rent arrears. These included:
- the combination of welfare reforms such as the reduction in HB due to the RSRS, the benefit cap, the increase in non-dependent deduction charges, benefit sanctions, changes to Employment Support Allowance and tax credits
 - additional pre-action requirements introduced in August 2012 that landlords must satisfy before serving a legal notice on a tenant
 - where it was known that a council had adopted a 'no eviction' policy the ultimate sanction of evicting the tenant for non-payment of rent appeared to have been removed
 - the downturn in the economy and a high unemployment rate in some areas
 - tenants that were not engaging with the council or prioritising their rent payments
 - resource pressures due to the additional amounts to be collected as a result of the impact of the RSRS, as well as reallocation of resources to engage with tenants affected by the RSRS
 - a DHP budget that did not allow full mitigation of the RSRS in some areas. The percentage of tenants qualifying for HB and DHP varies across councils.

Write-Offs

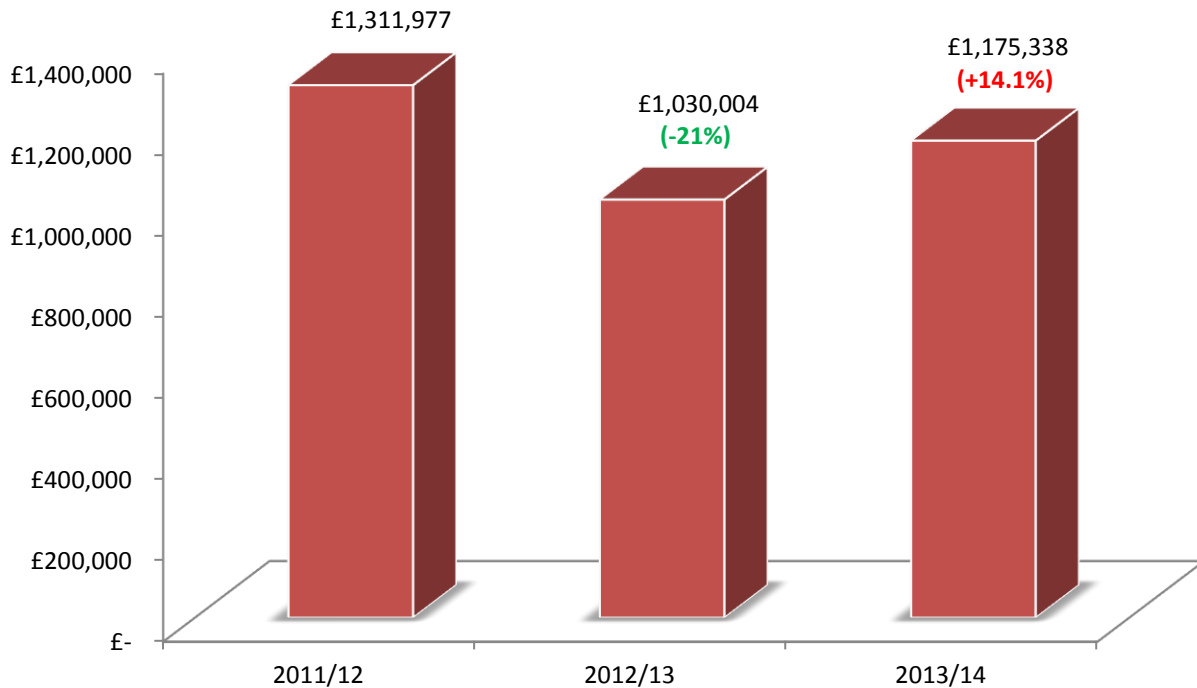
29. A write-off of council house rent would normally be considered when a tenant has failed to pay their rent, accrued a debt and, despite the council's best efforts, the full amount due has not been paid.
30. All councils endeavour to recover all debts however councils have different, locally agreed, write-off policies. There are a number of valid reasons why rental debt could be deemed irrecoverable and subsequently written off. These include:
- the tenant has died and there is no next of kin
 - the council's external debt recovery agents deem the debt irrecoverable
 - the tenant has been declared bankrupt.
31. Writing off debt reduces the amount of rent arrears outstanding. Therefore not writing off irrecoverable debt on a regular basis can cause rent arrears to rise. We reviewed the level of debt written off to try to establish if welfare reforms have had an impact on write-offs or, if the level of write-offs have had any impact on the increased rent arrears levels.

Current tenants

32. Current tenant rent arrears are normally pursued by councils and only written off in exceptional circumstances, for example, where the tenant has been sequestered. Of the 26 Scottish councils with housing stock, seven had not written off any current tenant rent arrears in 2011/12, 2012/13 or 2013/14. Of the remaining 19 councils, only one (Renfrewshire) stated that the increase in the amount of current tenant arrears written off was a result of the RSRS.

33. Exhibit 4 below shows the change in the value of current tenant rent arrears written off in Scotland from 2011/12 to 2013/14. As this exhibit shows, following a reduction in the value of rent arrears written off in 2012/13, there has not been a significant increase in write offs in 2013/14 and we conclude therefore that welfare reforms have had no discernible impact in this area, and that the increase in rent arrears in 2013/14 is not directly linked to a reduction in the write-off level of current tenant arrears during the year.

Exhibit 4: Amount of current tenant rent arrears written off (Scotland)



Source: Audit Scotland & Scottish Councils

Bad Debt Impairment

34. The amount of housing rent debt on council balance sheets is the total amount expected to be collected from tenants. In order to recognise that some of this debt will not be recovered and will have to be written off during the course of the year, councils estimate the debt that is unlikely to be recovered as 'bad debt'. In order to be prudent, councils need to show a realistic figure for the value of debts that are unlikely to be recovered during the year and recognise a bad debt impairment for those debts.
35. In order to establish what action councils were taking to mitigate the impact of the welfare reforms, we asked if any changes had been made to the bad debt impairment calculation for 2013/14 on the basis that councils had concerns that the RSRs would affect rental income. However, of the 26 councils with council properties, only five (19%) stated that they had increased their bad debt impairment in mitigation of an expected increase in rent arrears arising from the welfare reforms.

36. Therefore, based on the remaining 21 councils (81%) that told us that they had not increased their bad debt impairment, or changed their methodology, we conclude that the RSRS has not adversely affected councils bad debt impairment planning or estimation decisions so far.
37. However, we consider that, going forward, this is an area that councils should be proactively looking at in more detail as additional welfare reforms are implemented, and councils become more aware of the impact of these changes.

Voids

38. A 'void' is a property that does not have a current tenancy. As no rental income is received for void properties, it is in the best interests of councils to minimise the number of void properties in order to maximise rental income.
39. Before the RSRS was introduced, councils were concerned that there was a lack of suitable and available one bedroom housing stock to enable customers to downsize. Concerns were raised that this would result in difficulties in letting properties with more than one bedroom, and that this would result in lost rental income from these 'voids'.
40. In order to determine what impact the RSRS has had on the value of rent lost to 'voids' in 2013/14 we analysed data for the periods 2011/12, 2012/13 and 2013/14 provided to Audit Scotland by the 26 councils that had council housing stock. We also asked these councils to provide an explanation, where appropriate, if the increase in rent lost to voids was a direct result of the RSRS introduced in April 2013.
41. Exhibit 5 below details the total value of rent lost to voids for the 26 councils.

Exhibit 5: Value of rent lost to voids 2011/12 - 2013/14			
Year	Value of rent lost to voids (£)	% of gross annual rent debit	Change over previous year (£)
2011/12	£12,368,686	1.3%	N/A
2012/13	£12,309,222	1.2%	-£59,464
2013/14	£13,097,700	1.3%	£788,478

Source: Audit Scotland & Scottish Councils

42. Of the 26 councils, 17 (65%) reported an increase in the value of rent lost to voids between 2012/13 and 2013/14 in the range of 1.6% to 70.7%. However, only three of the 17 councils (18%) reported that this increase was directly related to the RSRS with increased rent lost to voids of 1.6% in Renfrewshire (£21,200), 11.8% in North Ayrshire (£16,608), and 34.9%, in Falkirk (£165,094). All of these councils stated that the letting of larger properties, particularly three bedroom properties, was becoming harder.

43. One council (North Ayrshire) stated that there had been a 75% increase in the turnover of three bedroomed properties in 2013/14, and that there was low demand from applicants on the housing register for some of these houses. The council also stated that it would have concerns should this trend continue. Renfrewshire Council stated that there had been no significant impact in respect of voids, but that some larger properties were becoming less popular and requiring more offers before being let, while Falkirk Council advised that there had been a movement in demand which had resulted in a number of three bedroom properties becoming harder to let and that this had been reinforced by the growth in the value of rent lost to voids in 2013/14.
44. In conclusion, based on the 23 (88%) councils that reported no significant impact on rental income as a result of the RSRS we consider that this aspect of the government's welfare reforms has had no discernible effect on the loss of rental income so far. However, we consider that this is an area that councils will need to continue to monitor going forward.

Discretionary Housing Payments

45. DHPs are governed by The Discretionary Housing Payment (Grants) Order 2001 and may be awarded when a council considers that a HB claimant requires further financial assistance towards their housing costs. DHP is available to council tenants and non-council tenants and can therefore help prevent rent arrears from rising. Traditionally, DHP has been considered to be a temporary solution to a difficulty in meeting housing costs and not a means of partially funding rent on an on-going basis.
46. Councils receive UK Government funding for DHP each year from the DWP. This funding may be topped up from council resources to an overall DHP cash limit. The Discretionary Housing Payment (Grants) Order 2001 stated that the overall cash limit for DHP was two and a half times the UK Government contribution at the beginning of the financial year.
47. In March 2014, the DWP amended the Grants Order to increase the cash limits for Scottish councils by just over £7 million to £40.7 million.
48. As a result of welfare reforms, the UK Government significantly increased funding for DHP for Scottish councils from £4.2 million in 2012/13 to £18.2 million in 2013/14, an increase of 333%. This includes £1.1 million of transitional funding which councils could decide to use to pay additional DHPs or for other initiatives, for example preventing homelessness. During 2013/14 the Scottish Government also provided Scottish councils with an additional £20 million of funding to help mitigate the impact of welfare reforms.

49. Total funding for DHP in 2013/14 was £38.2 million as shown in exhibit 6 below.

Exhibit 6: DHP Funding for 2013/14							
UK Government funding (A)	Rural Funding (B)	Reserve Fund Award (C)	Honouring Official Error	Transitional Funding	Scottish Government funding	Total	Overall cash limit (2.5xA +B+C)
£10.1m	£3.4m	£2.8m	£0.8m	£1.1m	£20m	£38.2m	£40.7m

Source: Audit Scotland, Scottish Government, DWP & Scottish Councils

50. The total value of DHP awards made to claimants was £29.4 million in 2013/14. Therefore, despite a significant amount of effort and resources employed by councils, £8.8 million (23%) of DHP funding was not spent. If the assumption is made that all transitional funding was used for purposes other than DHP payments, the underspend would be £7.7 million. Appendix A shows the percentage of underspent funding across all councils. The percentage of funding not spent varies across councils with some councils spending all funding received with others spending less than 30%.
51. Similarly when comparing DHP spend against cash limits, £29.4 million was awarded in DHP payments against an overall revised cash limit of £40.7 million.
52. It may appear surprising that DHP funding has not been fully used to support tenants requiring financial assistance to make rent payments and keep rent arrears to a minimum. However, reasons provided by councils for the underspend included:
- difficulty in planning and devising DHP policies and guidance as a result of the sporadic nature of the additional funding provided at various points during the year
 - the DWP increasing the cash limit one week before the end of the financial year
 - some of the funding, for example the bid funding, was announced late in the financial year
 - not all tenants in arrears qualify for DHP, and some were unwilling or unable to engage
 - funding that was more than required in some areas.
53. It is interesting to note that all of the twelve councils that received additional funding due to being the least densely populated areas in Scotland had underspends ranging from £91,000 in Shetland to £1.03 million in Aberdeenshire. The total DHP underspend compared to total funding was £6.4 million (51%) in respect of these twelve councils.
54. This would indicate that the amount of funding provided to these rural councils was significantly more than required and compared to other councils, where DHP spend has met or exceeded 100% of the funding, it would suggest a review of the funding distribution methodology is required.

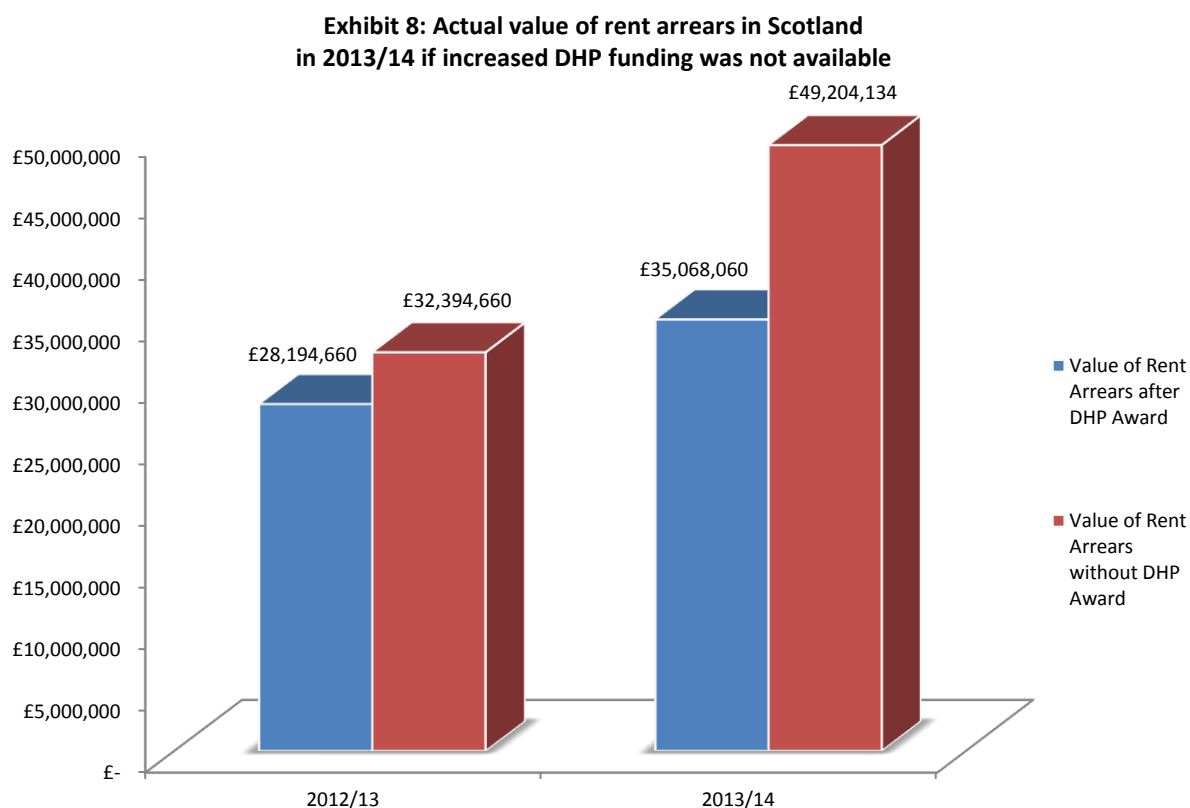
55. Exhibit 7 below shows the amount of DHP underspend for the twelve councils in receipt of rural funding along with the percentage change in rent arrears, where applicable, for these councils.

Exhibit 7: DHP Funding for 2013/14				
Council	Total DWP & Scottish Government funding	DHP underspend	% of funding not spent	% increase in current tenant arrears
Aberdeenshire	£1.50 m	£1.03m	69%	22%
Angus	£1.04m	£0.59m	57%	21%
Argyll & Bute	£0.97m	£0.57m	59%	N/A - no housing stock
Comhairle nan Eilean Siar	£0.28m	£0.19m	40%	N/A - no housing stock
Dumfries & Galloway	£1.72m	£0.71m	41%	N/A - no housing stock
Highland	£2.58m	£0.49m	19%	6%
Moray	£0.63m	£0.45m	71%	6%
Orkney	£0.17m	£0.09m	53%	7%
Perth & Kinross	£1.32m	£0.91m	69%	17%
Scottish Borders	£1.18m	£0.69m	58%	N/A - no housing stock
Shetland Islands	£0.18m	£0.09m	50%	19%
Stirling	£1.11m	£0.63m	57%	3%
	£12.5m	£6.4m	51%	

Source: Audit Scotland, Scottish Government, DWP & Scottish Councils

56. As previously mentioned, the total value of DHP awards made to claimants was £29.4 million in 2013/14. Looking specifically at the DHP awarded to council tenants, of the 26 councils with council housing stock, 24 were able to split their DHP awards between council tenants and other tenants. The total DHP awarded to council tenants for the councils able to provide a split was £12 million.
57. Although the increase in rent arrears shown in exhibit 2 is significant, the true arrears figures if DHP payments had not been made to council tenants during the year is much higher. Exhibit

8 below shows the potential impact on rent arrears had the DWP and Scottish Government not provided additional funding. We have assumed that for the two councils unable to split their DHP payments, half of the payments were paid to council tenants.



Source: Audit Scotland & Scottish Councils

58. Notwithstanding this, assuming the same increase in rent arrears of 16% that was reported in 2012/13, and taking account of the DHP payments made, Scottish councils rent arrears were still approximately £2.4 million higher in 2013/14 after the introduction of the RSRS.
59. Appendix B looks specifically at the arrears in the 24 councils able to split their DHP awards between council tenants and other tenants. The appendix shows the amount of rent paid by DHP and the current tenant arrears after DHP has been awarded.
60. In May 2014, the UK government offered to transfer the power to set the DHP cash limit to the Scottish Government. The legal and parliamentary process to transfer this power is likely to take until autumn 2014 to be complete.
61. By devolving the setting of the cash limit to the Scottish Government, this will allow the Scottish Government to increase their funding for DHP. For 2014/15, the UK government has announced DHP funding of £15.2 million for Scottish councils. In addition, the Scottish Government has agreed £35 million of DHP funding and has indicated that this additional funding should mitigate the impact of the RSRS for all affected tenants.
62. It should be remembered that DHP funding is of a temporary nature and DHP funding could revert back to levels similar to those in 2012/13. Therefore uncertainty remains for those tenants and councils currently relying on DHP assistance to help meet rent charges.

Reductions in DHP funding could have a significant impact on rental income, rent arrears and strategic housing plans for both council and other landlords.

Policies

63. In response to the welfare reform agenda councils have made changes to their policies that cover the award of DHP, collecting rent arrears, and allocating social housing.
64. DHP policies now include more generous and extended awards following the receipt of additional funding with priority for those affected by under occupancy or the benefit cap. Some councils rolled 2013/14 awards over to June 2014 until 2014/15 funding was clarified.
65. Rent arrears policies have been changed in some councils to articulate that there will be no evictions where rent arrears have accrued solely as a result of under occupancy or the benefit cap, and the tenant is engaging with the council. Some councils have also included the requirement to provide welfare reform information to all new tenants.
66. In addition, some housing allocation policies now include incentives to encourage downsizing, additional points being awarded to those on the housing waiting list that are under-occupying, and amended size criteria to mirror that of DWP.

Initiatives

67. To help mitigate the impact of the welfare reforms, councils and other stakeholder organisations have implemented a number of initiatives. The more widespread ones are:
 - offering money advice and maximising household income
 - working with credit unions - as an example North Ayrshire Council and five other Ayrshire landlords have created a partnership with a credit union to help tenants set up bank accounts and manage household budgets. Angus and Clackmannanshire councils have undertaken similar work
 - employment initiatives and helping to build skills - such as:
 - The Highland Council supporting its residents to gain digital skills
 - West Dumbarton Council's Working4U services which helps people to gain skills and education to increase job opportunities
 - Angus Council reviewing arrangements at its libraries to promote digital inclusion
 - South Lanarkshire Council referring its Tenant Liaison Team's customers to specialist training and employability services
 - facilitating mutual exchanges via a national direct home swap service for social housing tenants who want to swap or exchange their property.

Long term plans

68. At this point in time welfare reform changes have had no significant impact on council's long term housing plans and strategies. Consideration is been given as to how the shortage of one

bedroom properties will be addressed and similarly how stocks of family sized houses where currently demand is generally low will be managed.

69. A key concern for most councils is the combined impact of the introduction of UC and restrictions on rent levels, and how they will deliver their statutory duty to homeless households. North Ayrshire Council has undertaken an options appraisal to determine how services could continue to be delivered beyond 2015/16 while others prefer to wait for clear guidance from DWP as to how temporary accommodation will be treated under UC arrangements.

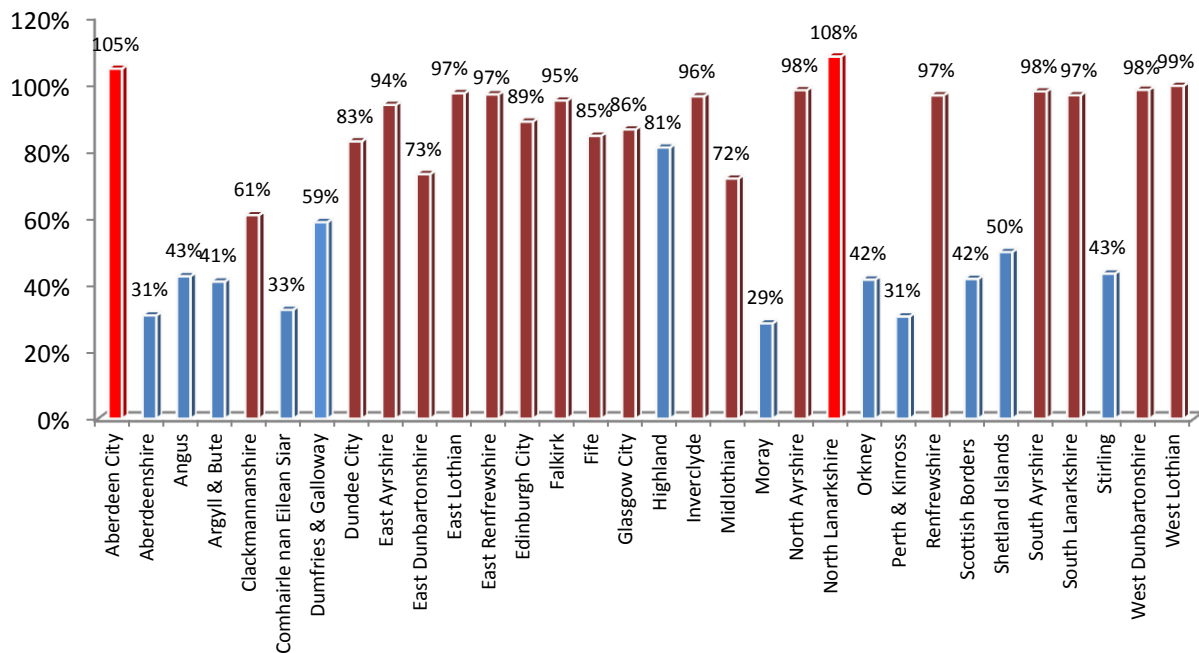
Looking forward

70. Looking forward there are other areas of welfare reform that cause concern. Not least the fact that many households are or, are likely to be, affected by more than one change which will make rent collection more difficult as these changes are implemented.
71. The movement of customers from Disabled Living Allowance to Personal Independent Payments and Incapacity Benefit to ESA, benefit sanctions, and importantly the introduction of UC and direct payments to claimants are likely to make rent collection more challenging.
72. Acknowledging the huge and adverse impact welfare reform will have on communities, action to mitigate this has been coordinated at Community Planning level in Scottish Borders and Orkney Islands councils while Fife Council is developing arrangements to integrate Welfare Reform within local Community Planning.
73. The uncertainty around UC migration makes workforce and resource planning extremely difficult for all councils and their services.
74. In East Ayrshire Council elected members have requested a targeted study on Jobseeker's Allowance and ESA sanctions, to understand the impact of this locally.
75. Scottish Borders Council raised several concerns around the continued reliance on DHP in terms of:
 - uncertain future funding
 - added administration burden
 - tenant expectation.
76. South Ayrshire Council is engaged in ongoing dialogue with colleagues from DWP regarding the proposed Local Support Services Framework and work is underway to map the current provision of advice and information services, the role of partners and the capacity across the council area to support digital inclusion in the future.

Appendix A

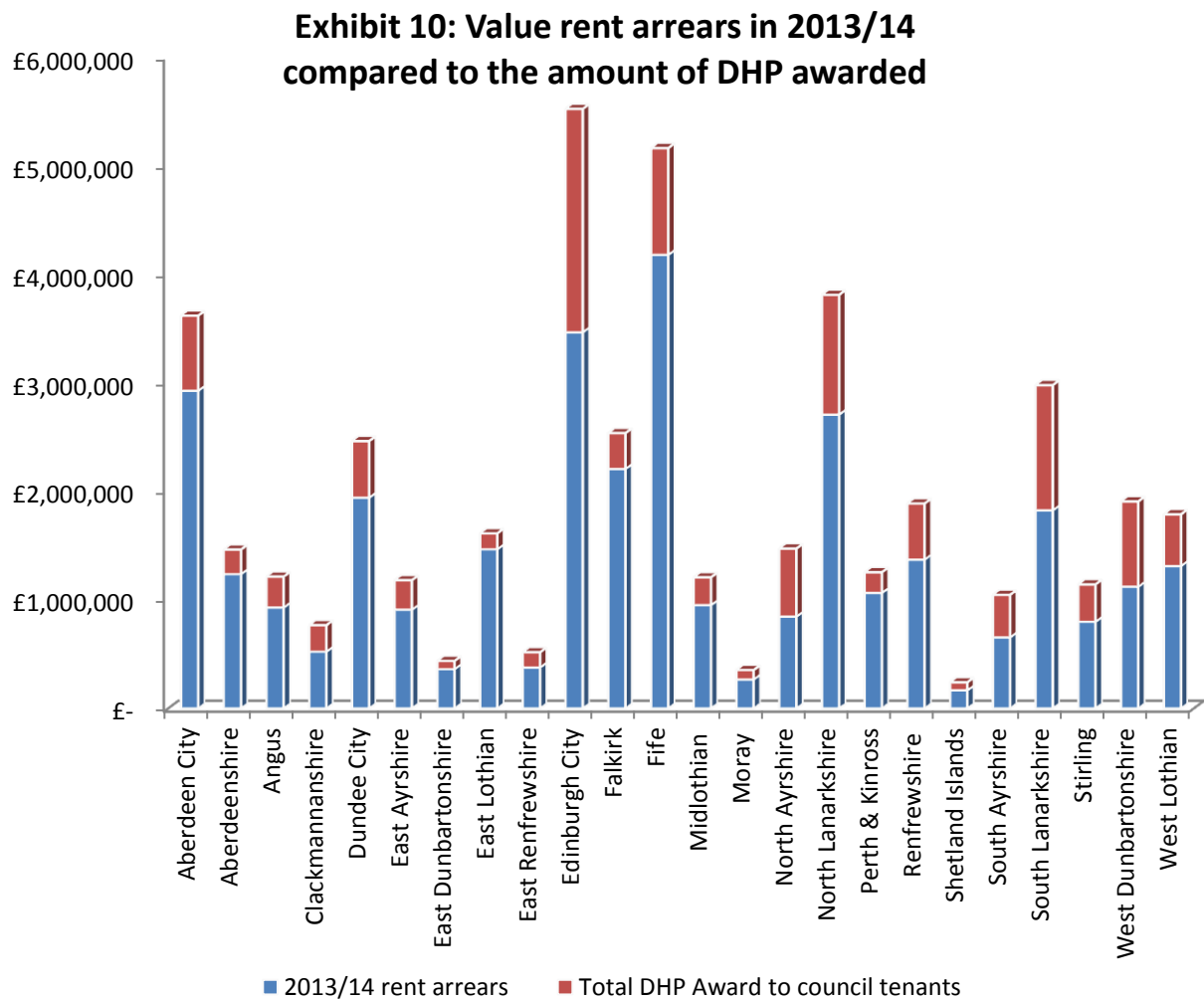
- 77. Exhibit 9 below details individual Scottish councils DHP spend as a percentage of the total funding available and illustrates the significant variance across Scotland. DHP spend ranging from 29% to 108% might be considered indicative of local economic circumstances and in the distribution formula with some councils apparently receiving significantly more funding than was required. Councils in receipt of rural funding are shown in blue.
- 78. Only 13 of the 32 councils spent in excess of 90% of their DHP budget with ten councils unable to spend more than 50% of their allocation.

Exhibit 9: Percentage of council DHP spend to total funding



Appendix B

79. Exhibit 10 below shows rent arrears and DHP awarded to council tenants in 2013/14 for the 24 councils able to split DHP awards between council tenants and other tenants.



ACCOUNTS COMMISSION

MEETING 25 SEPTEMBER 2014

COVER REPORT BY SECRETARY TO THE ACCOUNTS COMMISSION

EQUALITIES UPDATE

Purpose

1. This report provides the Commission with a summary of the progress being made with its equalities outcomes.

Background

2. The attached paper has been prepared by the Chair of Audit Scotland's Diversity and Equality Steering Group.
3. Fuller reports on progress with the Commission's equalities outcomes and how it is mainstreaming equalities in its work will be considered by the Commission and published in April 2015, as required by the Equalities Act 2010.

Conclusion

4. The Commission is invited to note the attached report on progress being made by the Commission against its equality outcomes.

Paul Reilly
Secretary to the Accounts Commission
17 September 2014

Equalities update 2014

Prepared for Accounts Commission
September 2014

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Background	3
Progress with equality outcomes	3
Conclusion	4
Appendix. Equality outcomes action plan	5

Background

1. In April 2013, the Accounts Commission published its [equality outcomes](#) together with a report on how it is [mainstreaming equalities](#) into the audit work that Audit Scotland and the firms carry out on its behalf.
2. This paper provides the Commission with a summary of the progress being made with its equalities outcomes. The paper has been prepared by Audit Scotland's Diversity and Equality Steering group (DESG). A similar update on progress with Audit Scotland's equality outcomes was presented to the Audit Scotland Board in June 2014.¹
3. Fuller reports on progress with the Commission's equalities outcomes and how it is mainstreaming equalities in its work will be published in April 2015, as required by the Equalities Act 2010.

Progress with equality outcomes

4. The Commission has two equality outcomes:
 - We will recognise the diversity of the Scottish population and raise the profile of equalities by embedding this in all aspects of our audit work on how public money is used.
 - Our work will be supported by policies and practices that are fair, transparent, meet people's needs and support a culture of diversity.
5. Seventeen actions were developed to underpin each of these outcomes so that progress can be tracked and identify where more work needs to be done ([see appendix](#)). Progress against the action plan is summarised below.
 - A process is in place for four measures and progress is noted in the action plan as 'ongoing'. This includes considering equalities as part of the Shared Risk Assessment (SRA) process and ensuring information is accessible and written in plain language.
 - Progress is being made in nine measures and work is expected to be complete in these areas by April 2015. This includes engaging with stakeholders about the audit programme, reviewing the Best Value toolkit on equalities, and refreshing guidance for Audit Scotland staff on how to carry out equality impact assessments.
 - Work has still to start in three areas. This includes engaging with equalities groups about the performance audit programme, which is planned over the next few months.
 - One measure cannot be completed. This relates to equalities information that was anticipated would be made available about individual councils.

¹ The DESG oversees the development and monitoring of our equality outcomes. Its role includes raising awareness of equality issues among Audit Scotland staff, helping to make sure that AS and the Accounts Commission meet the requirements of the Equality Act 2010, and working with AS business groups to help mainstream equalities in everything we do. All Audit Scotland's business groups are represented on the DESG.

Conclusion

6. The Accounts Commission continues to make steady progress with its equality outcomes and has work planned in areas where more progress is needed by April 2015.

Appendix. Equality outcomes action plan

1. We will recognise the diversity of the Scottish population and raise the profile of equalities by embedding this in all aspects of our audit work on how public money is being used			
Action	Steps to be taken	Who	Progress
1.1 Consult with our stakeholders on how to reflect equality and diversity in our work	1.1.1 Engage with equality groups on an annual basis about our work programme	Performance Audit and Best Value (PABV) ²	In progress PABV taking forward with respect to 2015/16 performance audit programme.

² Audit Scotland has four business groups: Audit Services Group (ASG); Audit Strategy Group (AStG); Corporate Services Group (CSG); and Performance Audit and Best Value Group (PABV).

	<p>1.1.2 Consult with relevant equality groups on performance audits which have a focus on equalities issues</p>	<p>PABV</p>	<p>In progress</p> <p>PABV is working with EHRC in scoping a new performance audit on Court efficiency. This is to help ensure we give appropriate consideration to equalities issues.³</p> <p>As PABV prepares a single quality framework for performance, Community Planning Partnership (CPP) and Best Value audits, it will ensure that equalities issues continue to be considered at key stages of these audits and make this clear in its guidance for staff.</p>
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³ Equality and Human Rights Commission (EHRC) Scotland.

	<p>1.1.3 Seek stakeholders' views on the role of audit as part of our corporate project about the expectations of audit and our review of auditing Best Value.</p>	<p>Audit Strategy Group (AStG), PABV</p>	<p>In progress</p> <p>AS's corporate project on Expectations of Audit (EoA) involved four discussion groups with members of the public. To ensure inclusion of a range of individuals, it applied quotas in terms of age, gender and socio-economic group.</p> <p><i>Note: DESG may need to review EoA report for further consideration of equality issues.</i></p> <p>PABV will engage with EHRC and others during review of auditing Best Value.</p>
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<p>1.2 Analyse data to help us understand who uses public (local government) services and use this to inform our audit work</p>	<p>1.2.1 Analyse data about how different groups are using public services and how public bodies are using public money to reduce inequality</p>	<p>PABV</p>	<p>Not started</p> <p>In time, this could be part of AS's corporate project on Audit intelligence but this project is focusing for now on financial information.</p> <p>Where appropriate, performance audits will give due consideration to data about equality issues [eg, Reshaping care for older people (Feb 2014), Court efficiency (Spring 2015)].</p> <p><i>Note: DESG to give thought to Knowledge Cafés and how we support staff in being more aware of equalities issues and how to address them through our audits.</i>⁴</p>
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⁴ The Diversity and Equality Steering Group (DESG) is one of Audit Scotland's corporate working group.

<p>1.3 Reflect equality and diversity issues in audit work programmes, in a way which is consistent with our audit duties</p>	<p>1.3.1 Local Area Networks (LANs) will consider whether any equality issues have been identified as part of the annual Shared Risk Assessment (SRA)</p>	<p>PABV, Audit Services Group (ASG)</p>	<p>Process in place - ongoing</p> <p>As part of the 2014/15 SRA process for local government, AS worked closely with the EHRC to provide training to LAN members on the implications of the Equalities Act 2010 on local authorities so that these could be considered as part of the Round Table discussion with scrutiny partners.⁵ Each Assurance and Improvement Plan (AIP) contains an equalities section documenting local evidence and any associated scrutiny risks.</p>
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⁵ The Shared Risk Assessment (SRA) is a process used to share information among scrutiny bodies in Scotland to help target our respective work programmes in local government. The Local Area Network (LAN) is part of the SRA process where staff from scrutiny bodies come together to discuss risks and scrutiny work in a council.

	<p>1.3.2 The Best Value toolkit on equalities will be applied where considered appropriate</p>	<p>ASG, Firms</p>	<p>In progress</p> <p>The potential application of the Best Value toolkit is considered by appointed auditors as part of their audit planning process in all sectors.</p> <p>AS is reviewing Best Value toolkit on equalities during 2014. A revised version of the toolkit, amended to take account of recent changes in legislation, was presented to the Diversity & Equality Steering Group (DESG) in May 2014. Further work is under consideration.</p>
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<p>1.4 Publish information and reports in formats that are accessible to all</p>	<p>1.4.1 Continue to keep up-to-date with developments around sharing information in an accessible way</p>	<p>Corporate Services Group (Communications)</p>	<p>Process in place - ongoing</p> <p>The Accounts Commission and AS are committed to providing a website and printed material that is accessible to the widest possible audience. AS actively works to make sure that its printed material and website are usable by people of all abilities.</p> <p>AS currently hold 'two ticks' accreditation from the Digital Accessibility Center (DAC), relating to web accessibility and consulted with the Shaw Trust in setting out our accessibility policy.</p> <p>Printed material is produced with consideration to the See it Right – Clear Print guidelines set out by the RNIB.</p>
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1.5 Report audit findings in a style that reflects the audience	1.5.1 Review all audit findings before annual audit report is issued as part of current internal quality review processes	ASG	In progress ASG is refreshing templates for annual audit reports and is involving plain language experts in this review. The Communications team is also involved to ensure accessibility around format. Annual audit reports are published on the website.
	1.5.2 Introduce an editor function to ensure audit reports are written in plain language	PABV, ASG, Corporate Services Group (Communications)	Process in place - ongoing Now available for all PABV reports. ASG has introduced editor function for annual audit reports (see 1.5.1).
1.6 Report on diversity and equality issues where appropriate	1.6.1 The BV toolkit on equalities will be applied where considered appropriate	PABV, ASG, Firms ⁶	In progress See 1.3.2
	1.6.2 The LAN will consider whether any equality issues have been identified as part of the annual SRA process	PABV, ASG, Firms	Process in place - ongoing See 1.3.1

⁶ As well as ASG, the Auditor General and the Accounts Commission may also appointed private firms of accountants to carry out the annual audits of Scotland's public bodies.

	1.6.3 Seek views from equality groups when developing performance audits that cover equality issues	PABV	<p>In progress</p> <p>Guidance on how to build diversity into our work is used for performance audits.</p> <p>PABV is working with EHRC in scoping a new performance audit on Court efficiency. This is to help ensure we give appropriate consideration to equalities issues.</p>
1.7 Support other public bodies in their scrutiny of diversity and equality	1.7.1 As part of the SRA process, LANs to consider results of EHRC Scotland's 2013 review of councils' response to Equality Act	PABV, ASG, Firms	<p>Unable to complete</p> <p>EHRC was unable to provide data on the performance of individual councils. Therefore it was not possible to incorporate this information into the 2014/15 SRA process.</p>
	1.7.2 Review results of EHRC Scotland's 2013 review of public bodies' response to Equality Act and consider whether specific work on equalities should be proposed for the performance audit programme	PABV	<p>Not started</p> <p>For consideration as part of development of 2015/16 performance audit programme.</p>

2. Our work will be supported by policies and practices that are fair, transparent, meet people's needs and support a culture of diversity			
Action	Steps to be taken	Who	Progress
2.1 Ensure key policies are subject to a rigorous equality impact assessment	2.1.1 Update and refresh our guidance for staff on conducting Equality Impact Assessments (EIAs)	DESG	In progress During 2014, DESG will review the guidance for staff on completing EIAs
	2.1.2 establish a system where all key policies are put forward for an EIA at the point when a new policy is being developed or an existing one is being revised	DESG	In progress During 2014, DESG will review the guidance for staff on completing EIAs
	2.1.3 Gather feedback from staff using the new guidance	DESG	Not started DESG will gather views as part of the refresh of the guidance during 2014

